CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

United Kingdom balance of payments in the third quarter of 1978

International comparisons of taxes and social security contributions 1970-76

Financial balances of industrial and commercial companies

No 302
December 1978
HMSO £1.95 net

A publication of the Government Statistical Service

Release dates of economic statistics to be published in January 1979

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in January. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
January 1979			
Wed 3	UK official reserves (December)	PN	HM Treasury
	Capital issues and redemptions (during the month of December)	PN	Bank of England
	Investment intentions of the manufacturing, distributive and service industries (1979 and 1980)	PN	D of Industry
Thurs 4	Unemployment (November – final)	Gazette	D of Employment
	Employment in the production industries (October)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (October)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (November)	Gazette	D of Employment
Mon 8	Wholesale price index numbers (December – provisional)	PN	D of Industry
Tues 9	Retail sales (November – final)	PN	D of Trade
	Hire purchase and other instalment credit business (November)	PN	D of Trade
	London clearing banks' monthly statement (mid – December)	PN	CLCB
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid – December)	PN	Bank of England
Wed 10	Central government financial transactions (including borrowing requirement) (December)	PN	HM Treasury
	Gross domestic product; personal income, expenditure and savings (3rd qtr)	PN	CSO
Thurs 11	Housing starts and completions (November)	PN	D of the Environment
	Provisional figures of vehicle production (December)	PN	D of Industry
Fri 12	Retail prices index (December)	PN	D of Employment
	Usable steel production (December)	PN	BSC/BISPA
	Building societies' receipts and loans (December)	PN	BSA
Mon 15	Balance of payments current account and overseas trade figures (December)	PN	D of Trade/CSO
	Retail sales (December – provisional)	PN	D of Trade
Wed 17	Basic rates of wages and normal weekly hours (December)	PN	D of Employment
	Monthly index of average earnings (November)	PN	D of Employment
Thurs 18	Index of industrial production (November – provisional)	PN	CSO
	Consumers' expenditure (4th qtr – 1st preliminary estimate)	PN	CSO
	UK banks' assets and liabilities and the money stock (mid – December)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid – December)	PN	Bank of England
Fri 19	Construction – new orders (November)	PN	D of the Environment
Sun 21	Department for National Savings' monthly progress report (December)	PN	D for National Savings
Mon 22	Industrial and commercial companies' appropriation account, net acquisition of financial assets and net borrowing requirement (3rd qtr)	PN	CSO
	Cyclical indicators for the UK economy (December)	PN	CSO
Tues 23	Unemployment (January – provisional)	PN	D of Employment
	Unfilled vacancies (January – provisional)	PN	D of Employment
	New vehicle registrations (December)	PN	D of Transport
Thurs 25	Unemployment (December – final)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (November)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (December)	Gazette	D of Employment
	Employment in the production industries (November)	Gazette	D of Employment
	Quarterly estimates of employees in employment (September)	Gazette	D of Employment
	Car and commercial vehicle production (December – final)	PN	D of Industry
	Energy Trends	PN	D of Energy
	Institutional investment (3rd qtr)	PN	CSO
Fri 26	Bricks and cement production (December)	PN	D of the Environment
	Sales and orders in the engineering industries (October)	T and I	D of Industry
Tues 30	CBI Industrial Trends Survey (January)	PN	CBI

PN—*Press Notice* T and I—*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 302
December 1978

London: Her Majesty's Stationery Office

© *Crown copyright 1978*

First published 1978

Brief extracts from this publication may be reproduced provided the source is fully acknowledged. Proposals for reproduction of larger extracts should be addressed to Copyright Section, Her Majesty's Stationery Office, St. Crispins, Duke Street, Norwich NR3 1DN

Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135/6193.

Enquiries about orders and subscriptions should be made to the publisher, Her Majesty's Stationery Office, PO Box 569, London SE1 9NH. Telephone 01-928 6977.

ISBN 0 11 724991 2
ISSN 0013-0400

Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.
- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.
- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 15 December. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Corrections to the November 1978 issue

Page 101, author's name should read A. T. DUNN, and not A. L. DUNN

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 68
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

Contents

	Page
Introduction	1
Latest developments in the economy	3
Tables and charts	
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1970 market prices	6
Expenditure on the gross domestic product	8
Personal disposable income and consumption	10
Real consumers' expenditure—component categories	10
Retail sales, new registrations of cars and hire purchase debt	12
Shares of income and expenditure	14
Estimates, *per capita,* income, product and spending	14
Gross domestic fixed capital formation by sector and by type of asset	16
Indicators of fixed investment by manufacturing industry	18
Department of Industry inquiry into investment intentions: manufacturing industry	18
Indicators of fixed investment in dwellings	20
Stock changes	22
Stock ratios	22
Inland energy consumption	24
Index of industrial production	26
Index numbers of output	28
Engineering and construction: output and orders	30
Motor vehicle production and steel production and consumption	32
Output per person employed	34
National employment and unemployment	36
Regional unemployment rates	38
Wage rates and earnings	40
Prices	42
Visible trade	44
Balance of payments: current account	46
Analysis of capital transactions and official financing	48
Money stock	50
Domestic credit expansion and money stock	52
General government receipts and expenditure	54
Financial transactions of the public sector	54
Sector financial accounts	56
Appropriation account of industrial and commercial companies	58
Sources and uses of capital funds of industrial and commercial companies	60
Selected liquid assets of industrial and commercial companies	60
Bank lending to UK residents	62
Banks' reserve ratio	62
Interest rates, security prices and yields	64
Cyclical indicators for the UK economy	66
Measures of variability of selected economic series	68
Articles	
United Kingdom balance of payments in the third quarter of 1978	71
International comparisons of taxes and social security contributions 1970-76	97
Financial balances of industrial and commercial companies	110
Round-up: what's new in economic statistics	131
Index of Sources	132
Other	
Release dates of economic statistics to be published in January 1979	*inside front cover*
Articles published in recent *Economic Trends*	*inside back cover*

Latest developments in the economy[1]

Data available at 15 December

Output

The latest estimates of the monthly index of industrial production show that the average level of industrial output in the three months ended October was about $\frac{1}{2}$ per cent less than in the previous three months. After making broad allowance for losses due to disputes in the motor industry, the underlying level of industrial output was little changed. An analysis by broad market sector (before allowing for the disputes) suggests that the output of the consumer goods industries and of the investment goods industries was much the same as in the previous three months, but the output of the intermediate goods industries fell by 1 per cent.

Steel output recovered in November from the levels of other recent months and was 13 per cent higher than in November 1977 (when production was affected by a shortage of industrial gases).

While car production again fell sharply in November, the fall in commercial vehicle production was less marked. Comparing the three months ended November with the previous three months, car production was down by 22 per cent and commercial vehicle production by 19 per cent.

Housebuilding

Housing starts in Great Britain during the three months August to October were 5 per cent down on the previous three months and 8 per cent less than in August – October 1977. Over the same periods, total completions were down by 9 per cent and 15 per cent respectively.

Retail sales

The provisional estimate of the volume index of retail sales in November is $109\frac{1}{2}$, much the same as the final indices for September and October. In the three months September – November the volume of sales was 1 per cent less than in the previous three months, when trade appears to have been boosted by tax changes. During the first eleven months of 1978, the average level of sales was some 5 per cent more than the annual average for 1977.

Companies

The Department of Industry's survey of the liquidity of large companies shows that their net current assets fell by about £595 million in the third quarter after rising for the four preceding quarters. Their liquidity ratio (total current assets as a percentage of total current liabilities) fell from 141 per cent to 123 per cent, but this was still above the previous peak in 1973.

Prices (not seasonally adjusted)

The index of retail prices for November was 202·5 (January 1974 = 100). This represents an increase of 0·7 per cent on October and of 8·1 per cent on November 1977.

The provisional wholesale price index for home sales of manufactured products increased by $\frac{1}{4}$ per cent during November. There was little change in the index for the output of the food manufacturing industries but there were small price increases spread over most other industries. The increase in the index for all manufactured products measured over a twelve-month period was $7\frac{3}{4}$ per cent for the fourth successive month.

Average prices of materials and fuel purchased by manufacturing industry increased by 1 per cent in November, making the index $3\frac{3}{4}$ per cent higher than a year earlier. The recovery of the dollar resulted in higher prices of a number of imported materials, particularly crude oil. Prices of home-produced materials purchased by the food manufacturing industries also rose.

Trade and the balance of payments

In the three months ended November, there was a visible trade deficit of £330 million, following one of £217 million in the previous three months. An increase in the deficit on trade in oil together with a reduction in the surplus on trade in finished manufactures more than offset an improvement of £112 million in the balance on the more erratic items. The volume of exports rose by $1\frac{1}{2}$ per cent (1 per cent excluding the more erratic items), while the volume of imports rose by 4 per cent (6 per cent excluding the more erratic items). The terms of trade index rose by 1 per cent.

The current account for November is estimated to have been in deficit by £72 million. The deficit on trade in goods was £192 million and the surplus on invisibles is projected to be running at £120 million a month.

Money stock

The broader version of money stock (sterling M_3) rose by £100 million or 0·2 per cent during the four weeks ended 15 November. The narrower version (M_1) fell by £60 million or 0·2 per cent during the period.

Domestic credit expanded by £110 million, much the same as the increase in sterling M_3. The central government borrowing requirement was unusually high but was largely offset by substantial net purchases of government debt by the non-bank private sector. The net contribution of the rest of the public sector was again to reduce domestic credit expansion. Bank lending in sterling to the UK private sector rose by £360 million but there was a sharp fall in sterling lending overseas.

Economic events

November

16 A new trade agreement between the United Kingdom and China was reached.

17 The West German Finance Minister announced a reflationary economic package, chiefly of tax measures, totalling about £3·8 billion, to take effect from 1 January 1979.

20 EEC finance ministers met to discuss further details of the proposed European Monetary System (EMS).

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

22 The House of Commons Expenditure Committee published a report on EMS.
Mass meetings of the 57,000 manual workers at Ford's voted to accept the company's pay offer after a strike lasting nine weeks. They would return to work on 24 November.

24 The Government published a green paper on the EMS. No decision could be made on whether the United Kingdom would join the exchange rate mechanism until the detailed arrangements were finalised.
Improvements were announced in two forms of National Savings:
1 The rate of interest on investment accounts with the National Savings Bank to be increased by 2½ per cent to 12 per cent from 1 January 1979.
2 A new issue of National Savings Certificates to be on sale from the end of January, replacing the 14th issue. Overall compound interest rate 8·45 per cent, equivalent to 12·6 per cent gross at the standard rate of income tax.
The rate support grant settlement for 1979–80 was announced. The Secretary of State for the Environment said that rate increases should be kept to single figures.
Several US banks increased prime rates by ½ per cent to 11½ per cent.

28 The Chancellor announced that the Government would take discretionary action against the Ford Motor Company because its recent pay settlement was outside the guidelines in the White Paper 'Winning the battle against inflation' (Cmnd 7293). The sanctions would be applied in government purchases and financial assistance.

December

4 The heads of government of the nine EEC countries met in Brussels to discuss the European Monetary System and the Common Agricultural Policy.

5 The Prime Minister announced at the Summit meeting that the United Kingdom would not join the exchange rate regime of the EMS when it began on 1 January 1979. It was also doubtful whether Italy and Ireland would join the system.

6 The Prime Minister announced that investment of £400 million would be made in micro-electronic technology.

7 A Commons debate on the use of sanctions against companies breaking the pay policy guidelines was postponed to 13 December after procedural problems.

8 The Government published a White Paper on the EMS (Cmnd 7419) setting out the arrangements for the system and explaining that the United Kingdom would be involved in certain aspects of it, such as the composition of the European Currency Unit, and consultations on the exchange rate mechanism. However, the United Kingdom would not at present join the exchange rate mechanism, although it might do so at a later date.

11 Norway decided to leave the present currency 'snake' immediately, and to defer a decision on joining the new EMS until the position of other countries was clearer.

12 Italy decided, despite earlier doubts, to join the EMS on 1 January.

13 At the end of the debate on pay sanctions policy, the Government was defeated. The Prime Minister announced a vote of confidence for the following day.

Selected monthly indicators[1]

		Seasonally adjusted					Unadjusted				Seasonally adjusted			
		1971 =100	Thousands	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	December 1971 =100	£ million			
		Volume of retail sales (GB)[2, 3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6] §	Average earnings New series (whole economy: GB)	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Sterling effective exchange rate	Balance of payments current account: Exports (f.o.b.) §	Balance of payments current account: Imports (f.o.b.) §	Balance of payments current account: Current balance	Money stock sterling M3
1977	J	104·5	94·7	105·3	1,329·9	.. [8]	110·9	143·1	172·4	61·8	2,482	3,000		39,670
	F	104·0	112·7	105·6	1,330·0	148·8	111·0	144·3	174·1	61·7	2,481	2,672	−480†	39,460
	M	101·7	103·8	105·7†	1,328·5	154·0	113·3	147·0	175·8	61·9	2,549	2,813		39,560
	A	102·3	106·0	105·2	1,333·8	155·5	113·1	149·3	180·3	61·7	2,584	2,765		40,330
	M	103·2	107·8	106·9	1,323·8	159·4	114·9	148·8	181·7	61·6	2,592	2,878	−280	40,660
	J	102·1	95·3	104·6	1,364·3	158·1	115·4	148·2	183·6	61·5	2,751	3,046		40,960
	J	104·8	112·6	105·9	1,398·5	155·2	117·0	147·9	183·8	61·0	2,798	2,971		41,320
	A	104·7	116·4	106·4	1,410·3	153·4	115·7	145·9	184·7	62·0	2,855	2,703	+575	41,290
	S	103·5	107·1	106·4	1,434·9	147·2	116·6	145·6	185·7	62·4	2,903	2,851		41,990
	O	102·7	116·1	105·6	1,431·5	156·0	117·9	143·7	186·5	62·5	2,747	2,714		42,550
	N	103·1	108·3	105·5	1,429·6	159·4	120·1	142·0	187·4	63·6	2,664	2,611	+591	42,840
	D	106·9	104·2	106·3	1,422·3	165·0	121·7	141·0	188·4	63·8	2,776	2,867		43,280
1978	J	104·9	124·8	106·8	1,419·2	180·3	121·5	139·4	189·5	66·0	2,600†	2,964		44,310
	F	106·8	119·8	107·4	1,409·0	187·0	122·7	139·1	190·6	66·0	2,975	2,949	−413	45,360
	M	107·0	142·5	107·1	1,400·0	195·8	125·0	142·0	191·8	64·1	2,805	3,109		45,660
	A	106·7	131·8	111·5	1,387·1	203·7	127·2	145·1	194·6	61·8	2,983	2,809		46,810
	M	108·4	124·2	110·2	1,366·4	209·9	129·4	146·8	195·7	61·5	2,850	3,095†	+126	47,210
	J	108·7	132·7	111·8	1,364·7	217·4	133·1	147·0	197·2	61·3	2,910	3,021		47,360
	J	111·4	107·5	111·3	1,371·4	211·0	133·6	145·8	198·1	62·1	3,029	3,181		47,870
	A	111·8	145·6	111·4	1,392·1	209·3	131·7	144·2	199·4	62·4	3,005	2,959	− 26	47,400
	S	109·5	143·7	110·4	1,378·3	218·7	134·2	144·8	200·2	62·7	3,037	3,273		47,980
	O	109·6†	131·3	109·3	1,359·6	228·4		145·8[10]	201·1	62·5	3,098	3,001		48,510
	N	109·5[10]			1,338·8	231·3		147·2[10]	202·5	62·5	3,052	3,244		48,610
	D													
		Percentage change, latest three months on previous three months												
1978	J	+ 1·4	− 0·7	+ 0·1†	− 0·1	+10·5	+ 3·8	− 2·9	+ 1·5	+ 3·5	− 5·5†	+ 2·1	..	+ 3·7
	F	+ 3·1	+ 5·2	+ 0·9	− 1·1	+15·1	+ 3·2	− 2·7	+ 1·6	+ 3·9	+ 0·4	+ 7·4	..	+ 4·4
	M	+ 1·8	+17·8	+ 1·2	− 1·3	+17·2	+ 2·6	− 1·5	+ 1·7	+ 3·3	+ 2·4	+10·1	..	+ 5·2
	A	+ 1·6	+16·8	+ 2·3	− 1·8	+16·2	+ 3·2	+ 0·9	+ 2·1	− 0·8	+ 9·0	+ 5·0	..	+ 5·7
	M	+ 0·9	+14·2	+ 2·6	− 2·3	+14·5	+ 4·3	+ 3·4	+ 2·4	− 4·3	+ 3·4	+ 2·7	..	+ 5·1
	J	+ 1·6	+ 0·4	+ 3·8	− 2·6	+12·1	+ 5·5	+ 4·4	+ 2·7	− 5·9	+ 4·3	− 1·1†	..	+ 4·5
	J	+ 2·4	− 7·5	+ 2·2	− 2·2	+ 8·8	+ 5·7	+ 3·1	+ 2·4	− 3·7	+ 0·3	+ 4·8	..	+ 3·3
	A	+ 3·0	− 3·2	+ 1·7	− 0·6	+ 4·6	+ 4·4	+ 0·7	+ 2·2	− 0·9	+ 3·5	+ 1·6	..	+ 2·1
	S	+ 2·6	+ 2·1	− 0·1	+ 0·6	+ 1·3	+ 2·5	− 0·9	+ 1·7	+ 1·4	+ 3·8	+ 5·5	..	+ 1·3
	O	+ 0·7	+15·4	− 0·7	+ 0·7	+ 2·8		− 1·1[10]	+ 1·6	+ 1·5	+ 4·0	− 0·7	..	+ 1·0
	N	− 0·9[10]			− 1·2	+ 6·4		+ 0·2[10]	+ 1·5	+ 1·0	+ 2·7	+ 3·9	..	+ 1·7
	D												..	
		Percentage change, latest three months on corresponding period of previous year												
1978	J	− 0·3	+ 3·9	+ 1·4	..	..	+ 9·2	+ 0·2	+11·7	+ 6·6	+11·0†	+ 0·3	..	+ 8·5
	F	+ 1·6	+ 9·9	+ 1·6	+ 6·8	..	+ 9·8	− 1·6	+10·5	+ 6·4	+12·7	+ 5·4	..	+11·4
	M	+ 2·9	+24·3	+ 1·5	+ 6·0	..	+10·1	− 3·2	+ 9·5	+ 5·8	+11·6	+ 6·3	..	+14·0
	A	+ 4·1	+22·2	+ 3·0	+ 5·1	+28·0	+11·1	− 3·3	+ 8·8	+ 3·6	+15·1	+ 7·5	..	+15·5
	M	+ 4·9	+25·4	+ 3·5†	+ 4·2	+30·0	+11·8	− 2·5	+ 8·2	+ 1·2	+11·0	+ 6·6	..	+15·9
	J	+ 5·4	+25·7	+ 5·3	+ 2·4	+33·4	+13·5	− 1·7	+ 7·7	− 0·1	+10·3	+ 2·7†	..	+15·9
	J	+ 5·9	+15·4	+ 5·0	+ 0·4	+35·0	+14·1	− 1·2	+ 7·6	− 0·4	+ 8·0	+ 4·5	..	+15·9
	A	+ 6·6	+19·0	+ 5·6	− 1·1	+36·6	+14·5	− 1·1	+ 7·7	+ 0·7	+ 6·4	+ 5·1	..	+15·4
	S	+ 6·2	+18·1	+ 4·5	− 2·4	+40·2	+14·4	− 1·0	+ 7·9	+ 1·0	+ 6·0	+10·4	..	+15·0
	O	+ 6·4	+23·9	+ 4·0	− 3·4	+43·8		− 0·1[10]	+ 7·9	+ 0·4	+ 7·5	+11·7	..	+14·4
	N	+ 6·2[10]			− 5·1	+46·6		+ 1·5[10]	+ 7·9	− 0·4	+10·5	+16·4	..	+13·9
	D												..	

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices.
[7] Purchased by manufacturing industry.
[8] Figure not available due to industrial action.
[9] Owing to industrial action by some Department of Employment staff the provisional estimate is based on returns or estimates received from only just over half the country.
[10] Provisional.

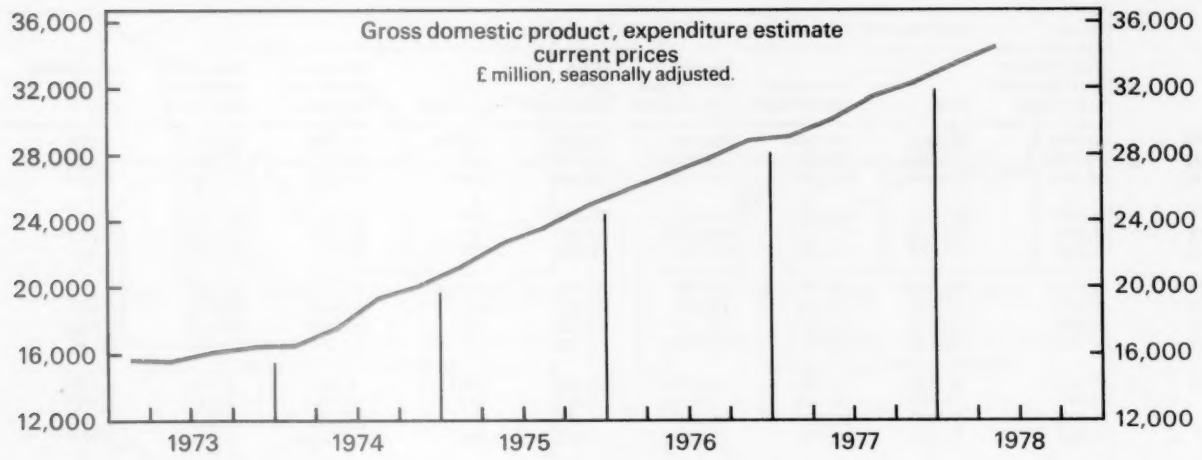
Tables and charts

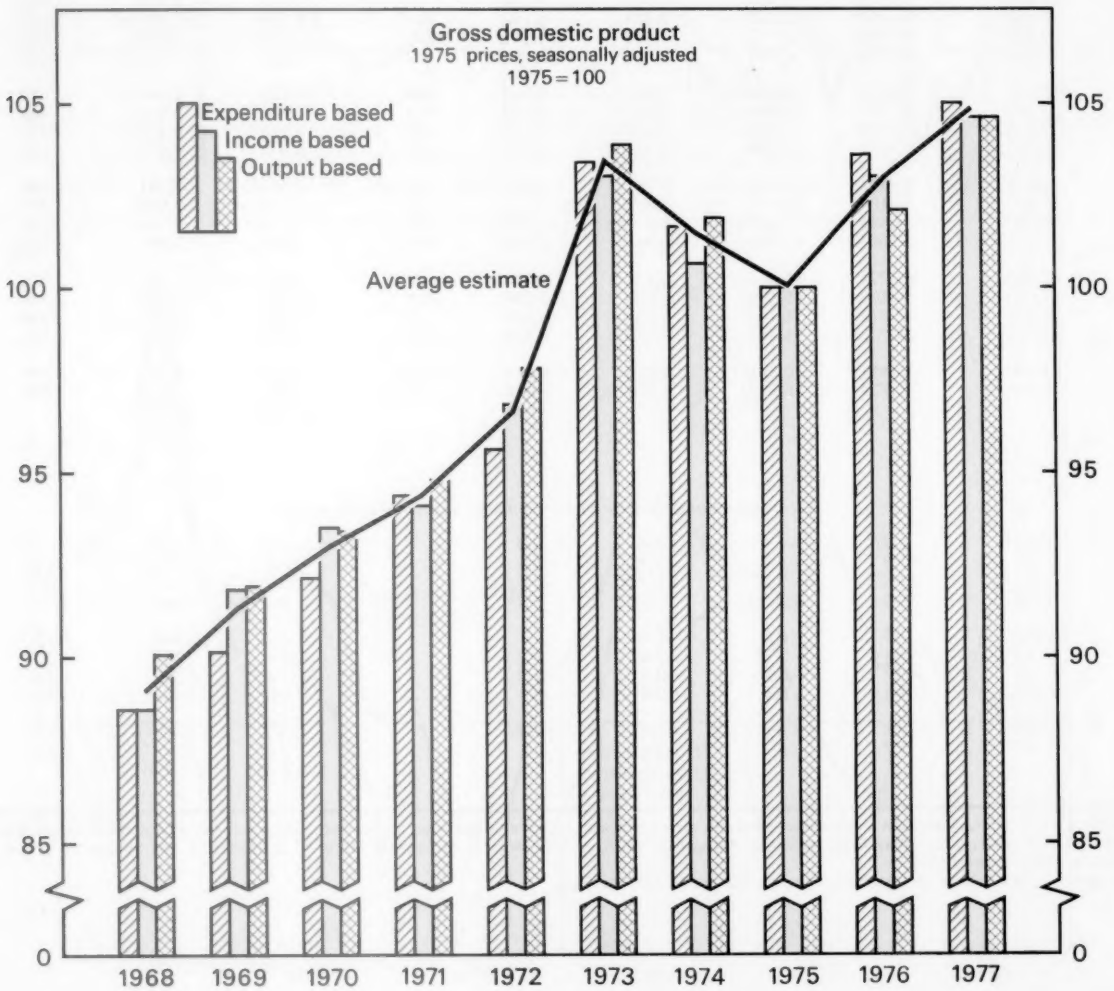
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income[2]
	At current prices				At 1975 factor cost						At 1975 market prices
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1968	37,411	37,183	40·4	40·4	81,964	88·6	88·6	90·1	89·1	45·6	91·9
1969	39,453	39,890	42·6	43·4	83,468	90·2	91·8	91·9	91·3	47·3	94·5
1970	43,445	43,794	47·0	47·6	85,264	92·2	93·5	93·4	93·0	51·0	97·1
1971	49,264	48,857	53·3	53·1	87,297	94·4	94·2	94·8	94·5	56·4	99·0
1972	54,963	55,289	59·4	60·1	88,489	95·7	96·8	97·8	96·7	62·1	101·7
1973	63,946	63,301	69·1	68·8	95,686	103·4	103·0	103·8	103·4	66·8	106·5
1974	73,722	72,517	79·7	78·9	94,117†	101·7	100·7	101·9	101·4	78·3	100·6
1975	92,507	91,952	100·0	100·0	92,507	100·0	100·0	100·0	100·0	100·0	100·0
1976	109,499	108,187	118·4	117·7	95,860	103·6	103·0	102·1	102·9	114·2	102·8
1977	123,353	122,270	133·3	133·0	97,119	105·0	104·7	104·7	104·8	127·0	103·9
1973 *1*	15,726	15,198	68·0	66·1	24,327	105·2†	102·3†	104·1	103·9†	64·6†	108·1†
2	15,560	15,665	67·3	68·2	23,847	103·1	104·4	103·6	103·7	65·3	
3	16,122	16,090	69·7	70·0	23,925	103·4	103·9	104·1	103·8	67·4	105·1
4	16,538	16,348	71·5	71·1	23,587	102·0	101·4	103·7	102·4	70·1	
1974 *1*	16,542	15,959	71·5	69·4	23,086	98·8	97·0	100·1	99·0	71·7	100·1
2	17,619	17,317	76·2	75·3	23,668	102·4	101·2	102·9	102·2	74·4	
3	19,463	19,141	84·2	83·3	24,027	103·9	102·9	103·3	103·3	81·0	101·1
4	20,098	20,100	86·9	87·5	23,336	100·9	101·6	101·5	101·3	86·1	
1975 *1*	21,342	21,204	92·3	92·2	22,911	99·1	99·0	101·3	99·8	93·2	100·2
2	22,651	22,425	97·9	97·6	23,317	100·8	100·4	99·8	100·3	97·1	
3	23,553	23,535	101·9	102·4	22,979	99·4	99·9	99·2	99·5	102·5	99·8
4	24,961	24,788	107·9	107·8	23,300	100·7	100·7	99·8	100·4	107·1	
1976 *1*	25,939	25,238	112·2	109·8	23,817	103·0	100·8	101·0	101·6	108·9	102·4
2	26,780	26,732	115·8	116·3	23,829	103·0	103·5	101·7	102·8	112·4	
3	27,837	27,634	120·4	120·2	24,066	104·1	103·9	101·9	103·3	115·7	103·2
4	28,943	28,583	125·1	124·3	24,148	104·4	103·8	103·9	104·0	119·8	
1977 *1*	29,171	29,019	126·2	126·3	23,853	103·1	103·2	104·6	103·7	122·3	102·7
2	30,114	30,208	130·2	131·4	24,130	104·3	105·3	104·2	104·6	124·8	
3	31,622	31,221	136·7	135·8	24,461	105·8	105·0	104·9	105·2	129·3	105·1
4	32,446	31,822	140·3	138·4	24,675	106·7	105·3	105·2	105·7	131·5	
1978 *1*	33,523	32,764	145·0	142·5	24,680	106·7	104·9	106·1	105·9	135·8	106·6
2	34,593	33,609	149·6	146·2	25,106	108·5	106·1	108·2	107·6	137·8	
	Percentage change, period on corresponding period of previous year										
1976 *1*	*+21·5*	*+19·0*	*+21·6*	*+19·1*	*+4·0*	*+3·9*	*+1·8*	*−0·3*	*+1·8*	*+16·8*	*+2·2*
2	*+18·2*	*+19·2*	*+18·3*	*+19·2*	*+2·2*	*+2·2*	*+3·1*	*+1·9*	*+2·5*	*+15·8*	
3	*+18·2*	*+17·4*	*+18·2*	*+17·4*	*+4·7*	*+4·7*	*+4·0*	*+2·7*	*+3·8*	*+12·8*	*+3·4*
4	*+16·0*	*+15·3*	*+15·9*	*+15·3*	*+3·6*	*+3·7*	*+3·1*	*+4·1*	*+3·6*	*+11·8*	
1977 *1*	*+12·5*	*+15·0*	*+12·5*	*+15·0*	*+0·2*	*+0·1*	*+2·4*	*+3·6*	*+2·1*	*+12·3*	*+0·2*
2	*+12·4*	*+13·0*	*+12·4*	*+13·0*	*+1·3*	*+1·3*	*+1·7*	*+2·5*	*+1·8*	*+11·0*	
3	*+13·6*	*+13·0*	*+13·5*	*+13·0*	*+1·6*	*+1·6*	*+1·1*	*+2·9*	*+1·8*	*+11·8*	*+1·8*
4	*+12·1*	*+11·3*	*+12·1*	*+11·3*	*+2·2*	*+2·2*	*+1·4*	*+1·3*	*+1·6*	*+ 9·8*	
1978 *1*	*+14·9*	*+12·9*	*+14·9*	*+12·8*	*+3·5*	*+3·5*	*+1·6*	*+1·4*	*+2·1*	*+11·0*	*+3·8*
2	*+14·9*	*+11·3*	*+14·9*	*+11·3*	*+4·0*	*+4·0*	*+0·8*	*+3·8*	*+2·9*	*+10·4*	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.


Gross domestic product, expenditure estimate
current prices
£ million, seasonally adjusted.
36,000
32,000
28,000
24,000
20,000
16,000
12,000
1973
1974
1975
1976
1977
1978


Gross domestic product
1975 prices, seasonally adjusted
1975 = 100
Expenditure based
Income based
Output based
Average estimate
105
100
95
90
85
0
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices							
		Total	Consumers' expenditure §	General government consumption	Gross fixed investment[1] §	Stock building §	Exports of goods and services §	Imports of goods and services[1] §	Adjustment to factor cost
1968	81,964	113,297	55,759	19,165	19,287	920	18,498	22,222	8,870
1969	83,468	115,340	56,137	18,808	19,360	951	20,321	22,936	8,838
1970	85,264	118,691	57,561	19,076	19,845	979	21,437	24,147	9,179
1971	87,297	122,237	59,340	19,642	20,209	235	23,007	25,307	9,527
1972	88,489	126,713	62,762	20,451	20,240	73	23,293	27,773	10,257
1973	95,686	137,662	65,497	21,426	21,609	2,983	26,147	31,043	10,933
1974	94,117†	136,067†	64,070	21,746	21,164	1,463†	27,624	31,329	10,621
1975	92,507	131,957	63,192	22,930	20,817	−1,925	26,943	29,028	10,422
1976	95,860	136,872	63,320	23,416	20,489	261	29,386	30,183	10,829
1977	97,119	138,193	62,732	23,315	19,738	1,051	31,357	30,276	10,798
1973 *1*	24,327†	34,559†	16,558	5,337	5,534	865†	6,265	7,520	2,712
2	23,847	34,259	16,253	5,320	5,321	915	6,450	7,642	2,770
3	23,925	34,492	16,385	5,381	5,399	682	6,645	7,823	2,744
4	23,587	34,352	16,301	5,388	5,355	521	6,787	8,058	2,707
1974 *1*	23,086	33 523	15,964	5,365	5,502	— 29	6,721	7,724	2,713
2	23,668	34,196	15,923	5,383	5,142	749	6,999	7,929	2,599
3	24,027	34,585	16,112	5,446	5,217	720	7,090	7,905	2,653
4	23,336	33,763	16,071	5,552	5,303	23	6,814	7,771	2,656
1975 *1*	22,911	32,967	16,020	5,624	5,203	— 656	6,776	7,397	2,659
2	23,317	32,961	15,950	5,683	5,170	— 442	6,600	7,016	2,628
3	22,979	32,959	15,646	5,796	5,353[1]	— 440	6,604	7,405[1]	2,575
4	23,300	33,070	15,576	5,827	5,091	— 387	6,963	7,210	2,560
1976 *1*	23,817	33,724	15,724	5,857	5,187	— 125	7,081	7,251	2,656
2	23,829	34,104	15,785	5,893	5,137[1]	— 17	7,306	7,568[1]	2,707
3	24,066	34,490	15,884	5,839	5,168[1]	189	7,410	7,721[1]	2,703
4	24,148	34,554	15,927	5,827	4,997	214	7,589	7,643	2,763
1977 *1*	23,853	34,271	15,619	5,771	4,794	442	7,645	7,722	2,696
2	24,130	34,466	15,495	5,841	5,025[1]	354	7,751	7,697[1]	2,639
3	24,461	34,718	15,777	5,827	4,965	6	8,143	7,531	2,726
4	24,675	34,738	15,841	5,876	4,954	249	7,818	7,326	2,737
1978 *1*	24,680	35,511	16,361	5,919	5,015	291	7,925	8,041	2,790
2	25,106	35,724	16,373	5,959	5,024	405	7,963	7,815	2,803
3							(8,162)[2]	(8,135)[2]	
4									

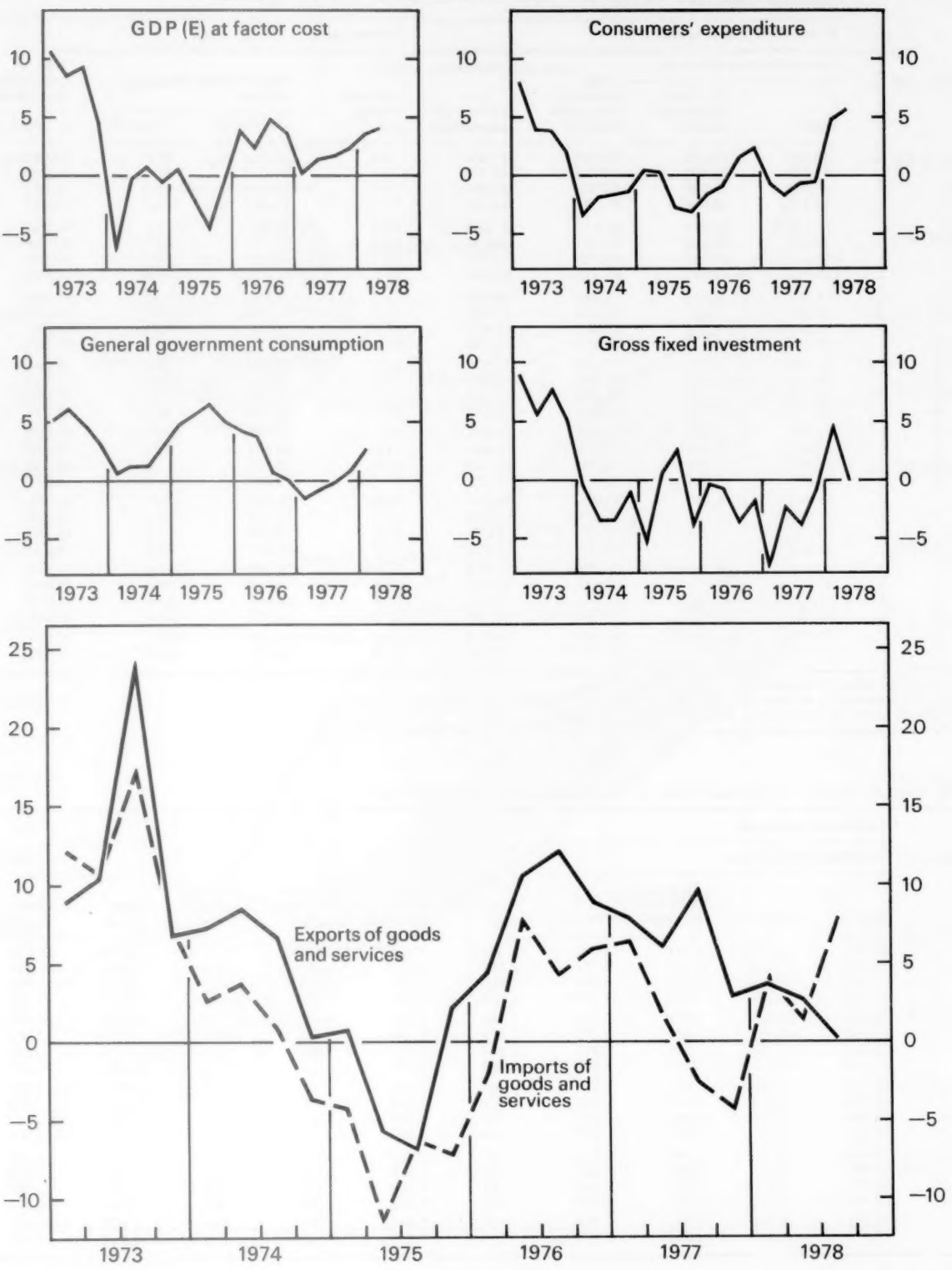
Percentage change, quarter on corresponding quarter of previous year

1976 *1*	+4·0†	+2·3†	−1·8	+4·1	−0·3	..	+ 4·5	−2·0	—
2	+2·2	+3·5	−1·0	+3·7	−0·6	..	+10·7	+7·9	+3·0
3	+4·7	+4·6	+1·5	+0·7	−3·5	..	+12·2	+4·3	+5·0
4	+3·6	+4·5	+2·3	—	−1·8	..	+ 9·0	+6·0	+7·9
1977 *1*	+0·2	+1·6	−0·7	−1·5	−7·6	..	+ 8·0	+6·5	+1·5
2	+1·3	+1·1	−1·8†	−0·9	−2·2	..	+ 6·1	+1·7	−2·5
3	+1·6	+0·7	−0·7	−0·2	−3·9	..	+ 9·9	−2·5	+0·9
4	+2·2	+0·5	−0·5	+0·8†	−0·9	..	+ 3·0	−4·1	−0·9
1978 *1*	+3·5	+3·6	+4·8	+2·6	+4·6	..	+ 3·7	+4·1	+3·5
2	+4·0	+3·7	+5·7	+2·0	—	..	+ 2·7	+1·5	+6·2
3					..	..	(+ 0·2)[2]	(+ 8·0)[2]	
4									

[1] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter of 1977.

[2] The figures in brackets are preliminary estimates and are partially forecast.

1975 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1970	43,260	26,975	34,738	31,660	8·9	63,157	84·9	57,561
1971	47,979	28,676	38,723	35,370	8·7	64,965	87·4	59,340
1972	54,486	33,136	44,504	39,856	10·4	70,081	94·2	62,762
1973	63,120	38,018	51,303	45,187	11·9	74,362	100·0	65,497
1974	76,165	45,916	60,614	51,863	14·4	74,881	100·7	64,070
1975	96,457	58,974	74,361	63,192	15·0	74,361	100·0	63,192
1976	112,216	66,932	86,155	73,538	14·6	74,184	99·7	63,320
1977	125,143	73,523	97,312	83,530	14·2	73,082	98·3	62,732
1973 *1*	14,880	8,949	12,049	10,992	8·8	18,158	97·7	16,558
2	15,681	9,445	12,756	11,035	13·5	18,795	101·1	16,253
3	15,970	9,687	13,005	11,411	12·2	18,681	100·5	16,385
4	16,589	9,937	13,493	11,749	12·9	18,728	100·7	16,301
1974 *1*	17,249	10,197	13,902	11,990	13·8	18,522	99·6	15,964
2	18,069	10,928	14,460	12,639	12·6	18,229	98·1	15,923
3	19,717	11,876	15,643	13,320	14·8	18,934	101·8	16,112
4	21,130	12,915	16,609	13,914	16·2	19,196	103·3	16,071
1975 *1*	22,497	13,904	17,443	14,632	16·1	19,093	102·7	16,020
2	23,551	14,347	18,201	15,660	14·0	18,533	99·7	15,950
3	24,803	15,153	19,105	16,180	15·3	18,470	99·3	15,646
4	25,606	15,570	19,612	16,720	14·7	18,265	98·3	15,576
1976 *1*	26,832	15,999	20,595	17,381	15·6	18,625	100·2	15,724
2	27,587	16,545	20,971	17,966	14·3	18,419	99·1	15,785
3	28,495	17,024	22,185	18,677	15·8	18,861	101·4	15,884
4	29,302	17,364	22,404	19,514	12·9	18,279	98·3	15,927
1977 *1*	30,177	17,746	23,116	19,859	14·1	18,183	97·8	15,619
2	30,771	18,195	23,697	20,454	13·7	17,954	96·6	15,495
3	31,434	18,483	24,522	21,421	12·6	18,063	97·1	15,777
4	32,761	19,099	25,977	21,796	16·1	18,882	101·6	15,841
1978 *1*	33,544	19,648	26,152	22,854	12·6	18,722	100·7	16,361
2	35,021	20,663	27,500	23,300	15·3	19,324	103·9	16,373

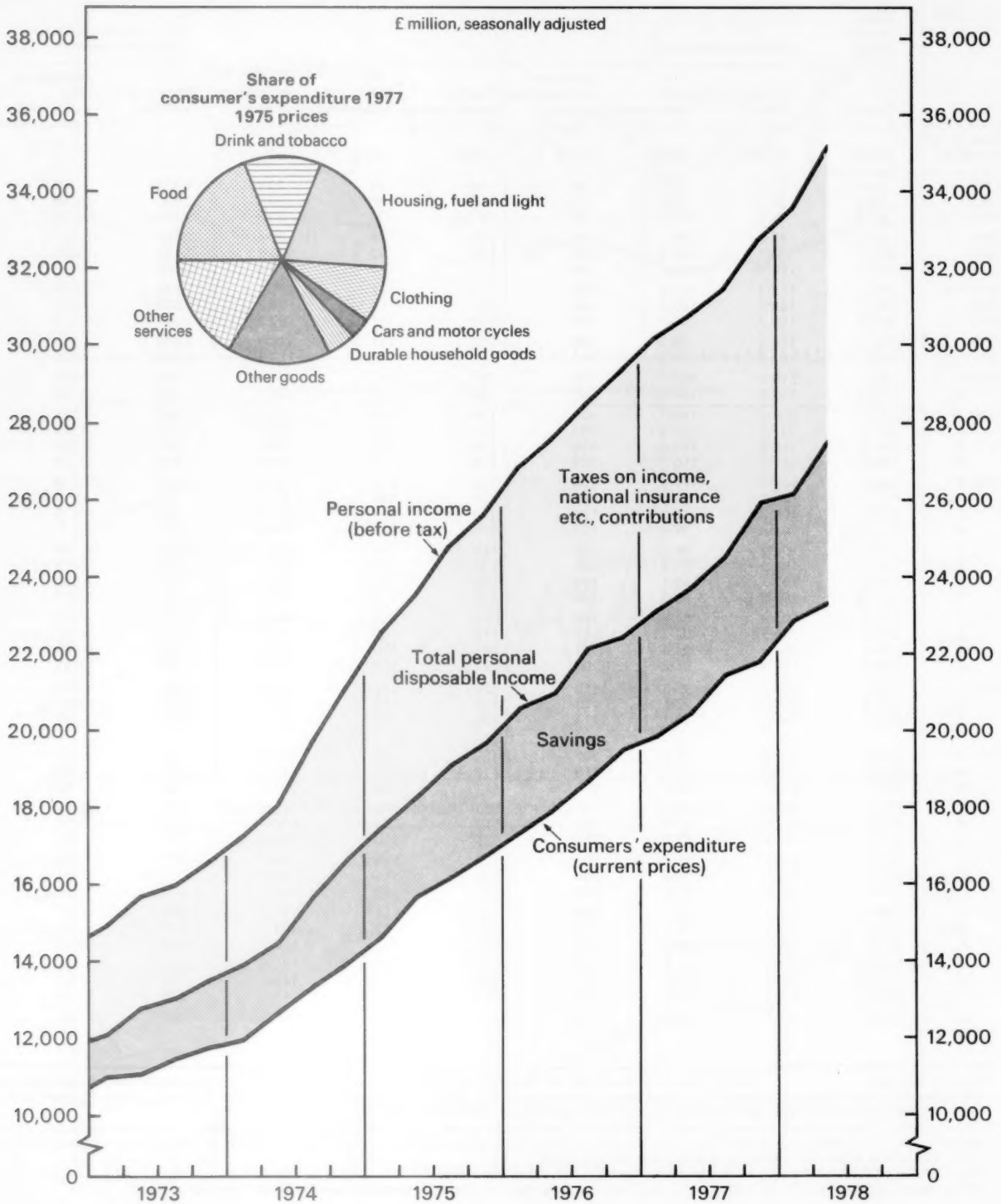
[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1970	57,561	12,072	6,374	8,502	2,782	4,634	2,226	1,759	8,702	10,813
1971	59,340	12,117	6,520	8,711	2,752	4,713	2,427	2,345	8,985	11,036
1972	62,762	12,025	6,961	8,905	2,854	4,991	2,926	2,811	9,858	11,566
1973	65,497	12,210	7,694	9,062	2,930	5,242	3,270	2,668	10,603	11,818
1974	64,070	12,099	7,777	9,122	2,983	5,197	3,060	1,731	10,595	11,506
1975	63,192	12,059	7,604	9,237	2,916	5,296	2,968	1,816	10,293	11,003
1976	63,320	12,172	7,664	9,411	2,894	5,357	3,080	1,977	10,396	10,369
1977	62,732	12,051	7,460	9,583	2,964	5,483	2,908	1,920	10,098	10,265
1976 *1*	15,724	3,038	1,831	2,326	760	1,307	745	494	2,596	2,627
2	15,785	3,029	1,910	2,345	689	1,344	765	472	2,627	2,604
3	15,884	3,088	1,952	2,365	702	1,349	794	482	2,585	2,567
4	15,927	3,017	1,971	2,375	743	1,357	776	529	2,588	2,571
1977 *1*	15,619	2,991	1,818	2,372	737	1,356	722	510	2,564	2,549
2	15,495	3,019	1,831	2,391	765	1,329	703	454	2,448	2,555
3	15,777	2,945	1,898	2,402	749	1,394	745	515	2,546	2,583
4	15,841	3,096	1,913	2,418	713	1,404	738	441	2,540	2,578
1978 *1*	16,361	3,083	2,022	2,404	762	1,433	775	639	2,556	2,687
2	16,373	2,995	2,048	2,437	767	1,455	788	593	2,587	2,703


£ million, seasonally adjusted
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
Share of consumer's expenditure 1977 1975 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)
1973
1974
1975
1976
1977
1978

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other instalment credit[3,4]	
	Total[5] §	Total[5] §	Food shops[5] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1967	73·8	92·7	97·4	89	84	92	93·1	1,554†	− 30†
1968	79·3	95·7	98·9	93	89	95	93·1	1,637	+ 56
1969	84·0	96·2	100·5	93	87	95	82·3	1,584	− 11
1970	91·0	98·4	101·1	97	91	98	91·4	1,767	+ 92
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	106	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·0	103·6	94·8	105	119	109	107·1	4,392	+625
1973 *3*	128·2	110·3	102·1	106	127	117	138·8	718	+102
4	133·9	110·9	101·5	107	129	119	124·8	708	+ 84
1974 *1*	136·2	108·4	100·7	105	120	116	102·6	568	− 59
2	141·8	107·7	102·0	103	119	113	104·9	615	− 52
3	151·0	110·3	103·9	108	124	115	106·6	651	− 28
4	158·0	109·8	103·1	106	126	115	100·6	674	− 25
1975 *1*	165·2	109·5	101·7	109	126	114	104·2	710	− 6
2	175·0	108·5	99·9	106	130	113	93·5	752	+ 9
3	176·6	104·3	98·9	105	110	109	102·9	749	− 9
4	181·5	104·2	99·3	103	110	109	88·4	770	− 7
1976 *1*	189·6	105·9	99·5	105	117	111	102·7	833	+ 37
2	196·1	106·9	99·6	106	122	111	106·7	872	+ 79
3	203·4	107·3	99·1	106	125	112	96·8	913	+100
4	211·4	105·9	96·6	105	124	112	112·5	968	+127
1977 *1*	216·4	103·3	94·9	105	116	109	103·8	1,007	+144
2	222·0	102·5	94·7	101	118	108	103·0	1,047	+136
3	234·2	104·3	94·4	107	121	110	112·0	1,149	+186
4	239·4	104·4	95·3	109	121	109	109·5	1,189	+159
1978 *1*	246·0	106·3	96·6	110	125	111	129·0	1,260	+245
2	254·5	108·0	98·1	110	129	112	129·6	1,393	+281
3	267·5	110·8	98·1	117	135	116	132·3	1,427	+223
4									
1977 *J*	231·5	104·8	94·3	107	125	110	112·6	360	+ 51
A	235·8	104·7	94·4	110	118	111	116·4	402	+ 75
S	235·0	103·5	94·4	106	121	108	107·1	387	+ 60
O	234·2	102·7	94·2	103	120	108	116·1	378	+ 45
N	236·3	103·1	93·9	107	118	108	108·3	401	+ 53
D	246·0	106·9	97·3	114	125	110	104·2	410	+ 61
1978 *J*	241·0	104·9	95·1	105	129	109	124·8	429	+ 85
F	246·5	106·8	96·8	109	130	111	119·8	418	+ 82
M	249·8	107·0	97·6	115	117	112	142·5	413	+ 78
A	250·3	106·7	96·5	108	132	111	131·8	463	+ 93
M	255·2	108·4	98·9	113	126	112	124·2	471	+ 82
J	257·3	108·7	98·7	110	130	113	132·7	459	+106
J	265·8	111·4	98·4	116	138	117	107·5	458	+ 53
A	270·3	111·8	97·9	121	134	118	145·6	493	+ 97
S	266·6	109·5	97·9	115	133	114	143·7	476	+ 73
O	267·2	109·6	97·9	114	131	115	131·3	469	+ 59
N									
D									

[1] Monthly averages.

[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops, department stores (including co-operatve societies), other general stores and general mail order houses. The figures for retailers have been rebased from 1971 on the results of the Census of Distribution for 1971. For further details see *Trade and Industry*, 10 February 1978.

[4] The seasonal adjustments have been revised in the light of subsequent experience.

[5] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
140
130
120
110
100
90
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
160
140
120
100
80
60
Change in hire purchase debt outstanding £ million, seasonally adjusted
Monthly rate
(Monthly figures)
120
100
80
60
40
20
0
−20
−40
1973
1974
1975
1976
1977
1978

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1970	62,099	51·0	14·4	3·9	2·7	8·6	18·5	44,832	67·8	13·2	19·0
1971	69,242	51·1	14·7	3·7	2·7	8·8	18·7	49,998	67·3	13·4	19·3
1972	76,821	51·9	15·1	3·6	2·3	9·2	17·7	56,577	67·0	13·2	19·8
1973	91,591	49·3	14·5	4·0	2·3	9·2	18·8	66,295	65·7	13·5	20·8
1974	109,606	47·3	15·1	4·0	2·6	8·8	21·0	78,722	66·9	12·1	20·9
1975	131,957	47·9	17·4	3·8	3·0	9·0	20·4	97,472	70·1	10·0	19·9
1976	159,351	46·2	16·7	3·4	2·9	8·5	22·1	114,812	68·2	10·8	20·9
1977	182,814	45·7	15·9	2·6	2·6	8·7	23·8	127,587	67·3	11·6	21·1
1976 *1*	37,017	47·0	17·1	3·8	3·3	8·5	21·1	26,710	69·6	9·5	20·9
2	38,885	46·2	17·0	3·5	2·9	8·6	21·9	28,296	68·4	10·8	20·8
3	40,788	45·8	16·6	3·3	2·7	8·8	22·2	29,300	68·1	10·9	21·0
4	42,661	45·7	16·2	3·1	2·8	8·3	22·9	30,506	66·7	12·2	21·1
1977 *1*	43,386	45·8	16·0	2·9	2·6	8·2	23·5	31,091	66·6	12·3	21·1
2	45,181	45·3	16·0	2·6	2·5	8·9	23·7	31,510	67·4	11·6	21·0
3	46,849	45·7	15·9	2·5	2·6	8·7	24·4	32,358	66·8	11·9	21·3
4	47,398	46·0	15·8	2·5	2·5	9·0	23·4	32,628	68·3	10·7	21·0
1978 *1*	49,346	46·3	16·0	2·3	2·3	9·4	23·0	33,729	67·9	11·3	20·8
2	50,661	46·0	16·0	2·2	2·2	9·5	23·1	34,972	68·5	10·6	20·9

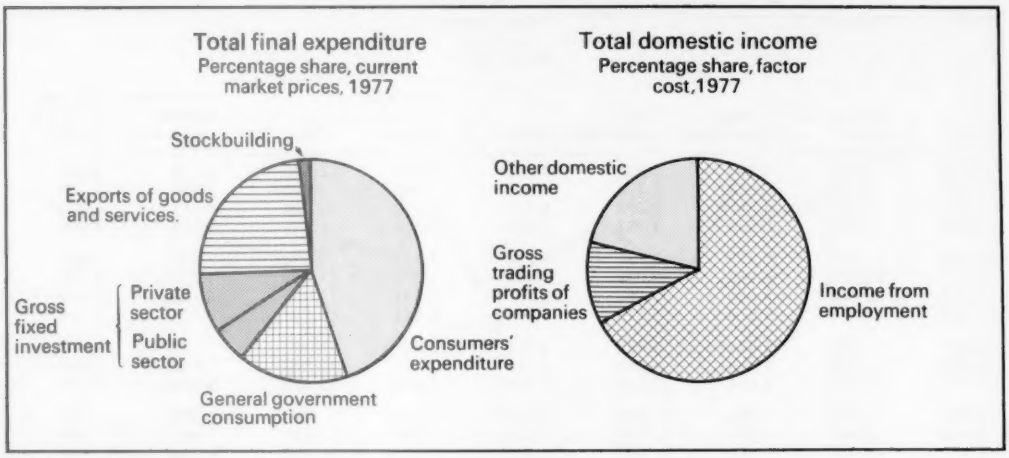
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

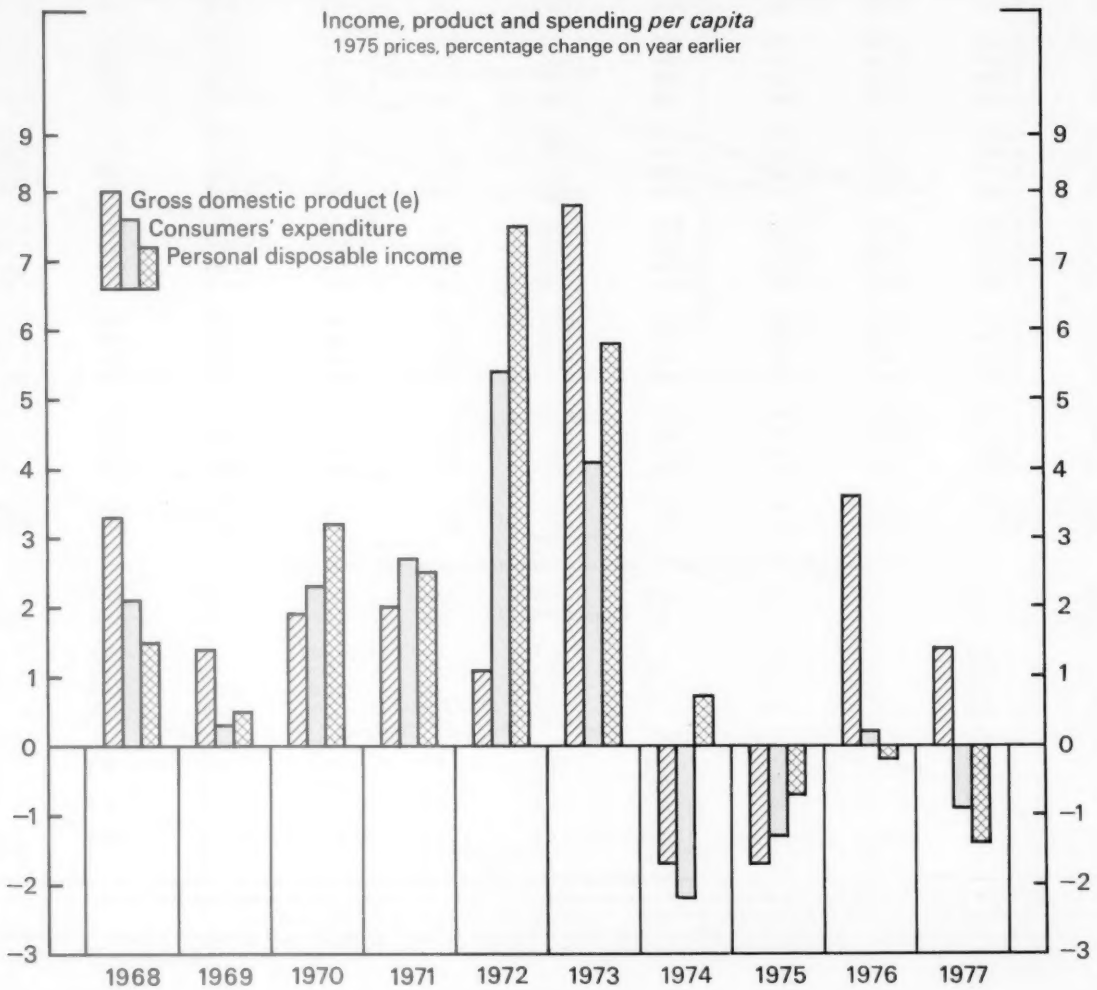
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1970	793	782	570	626	1,536	1,037	1,138
1971	893	884	635	695	1,567	1,065	1,166
1972	993	984	713	796	1,584	1,123	1,254
1973	1,163	1,141	807	916	1,708	1,169	1,327
1974	1,338	1,315	925	1,081	1,679	1,143	1,336
1975	1,664	1,651	1,128	1,327	1,651	1,128	1,327
1976	1,978	1,954	1,313	1,538	1,711	1,130	1,324
1977	2,211	2,203	1,492	1,738	1,735	1,120	1,305
1975 *1*	384	381	261	311	410	286	341
2	407	404	280	325	416	285	331
3	424	420	289	341	409	279	329
4	449	446	298	350	416	278	326
1976 *1*	468	463	310	368	426	281	332
2	484	478	321	374	425	282	329
3	503	497	333	396	429	283	337
4	523	516	349	400	431	284	326
1977 *1*	522	520	353	411	425	278	324
2	539	537	365	423	430	276	320
3	567	565	383	438	437	282	323
4	583	581	391	466	443	284	338
1978 *1*	600	598	408	467	441	292	334
2	621	618	417	492	448	293	345

[1] At factor cost. [2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1977
Stockbuilding
Exports of goods and services
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
General government consumption
Total domestic income
Percentage share, factor cost, 1977
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
9
8
7
6
5
4
3
2
1
0
−1
−2
−3
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977

Gross domestic fixed capital formation by sector and by type of asset

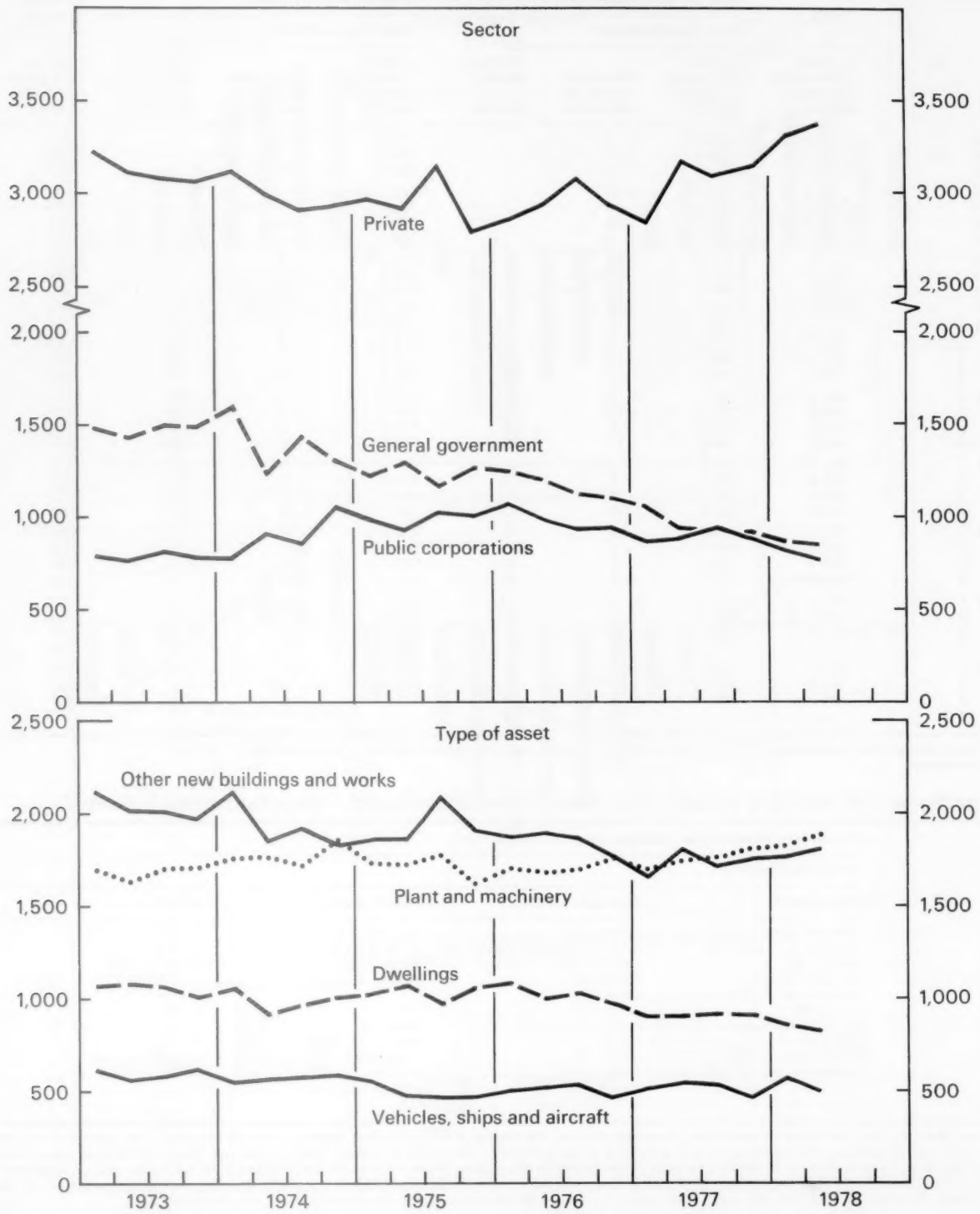
Seasonally adjusted

£ million, 1975 prices[1]

	Sector[2]			Type of asset					
				Dwellings					
					of which:		Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
	Total§	Private sector	General government	Public corporations	Total	Private	Public			
1967	18,440	9,132	5,340	3,992	4,312	1,965	2,140	6,931	1,402	5,889
1968	19,287	9,984	5,608	3,726	4,515	2,082	2,243	7,279	1,730	5,891
1969	19,360	10,607	5,511	3,263	4,317	1,932	2,194	7,368	1,700	6,071
1970	19,845	10,869	5,599	3,392	3,967	2,006	1,972	7,653	1,825	6,402
1971	20,209	11,360	5,421	3,411	4,218	2,401	1,822	7,885	1,889	6,300
1972	20,240	12,001	5,195	3,002	4,443	2,748	1,692	7,745	2,155	6,006
1973	21,609	12,519	5,928	3,162	4,281	2,491	1,790	8,145	2,415	6,768
1974	21,164	11,967	5,578	3,619	3,979	2,041	1,938	7,749	2,323	7,113
1975	20,817	11,860	4,974	3,983	4,163	2,196	1,967	7,747	2,017	6,890
1976	20,489	11,838	4,696	3,955	4,144	2,105	2,039	7,436	2,045	6,864
1977	19,738	12,286	3,854	3,598	3,656	1,828	1,828	6,964	2,091	7,027
1972 *1*	5,090	2,911	1,391	803	1,116	663	445	1,895	529	1,508
2	5,040	2,967	1,292	769	1,095	663	431	1,947	501	1,511
3	5,010	2,966	1,269	732	1,097	714	405	1,944	526	1,499
4	5,100	3,157	1,243	698	1,135	708	411	1,959	599	1,488
1973 *1*	5,534	3,239	1,495	800	1,087	640	447	2,122	625	1,700
2	5,321	3,119	1,436	766	1,094	656	438	2,020	565	1,642
3	5,399	3,092	1,499	808	1,076	610	466	2,018	593	1,712
4	5,355	3,069	1,498	788	1,024	585	439	1,985	632	1,714
1974 *1*	5,502	3,119	1,596	787	1,064	570	494	2,119	562	1,757
2	5,142	2,999	1,229	914	930	494	436	1,857	581	1,774
3	5,217	2,912	1,443	862	979	451	528	1,928	585	1,725
4	5,303	2,937	1,310	1,056	1,006	526	480	1,845	595	1,857
1975 *1*	5,203	2,969	1,238	996	1,033	554	479	1,865	564	1,741
2	5,170	2,930	1,301	939	1,081	574	507	1,866	488	1,735
3	5,353[4]	3,154[4]	1,165	1,034	987	543	444	2,098[4]	484	1,784
4	5,091	2,807	1,270	1,014	1,062	525	537	1,918	481	1,630
1976 *1*	5,187	2,862	1,252	1,073	1,096	562	534	1,878	504	1,709
2	5,137[4]	2,942[4]	1,204	991	1,016	508	508	1,900[4]	523	1,698
3	5,168[4]	3,086[4]	1,137	945	1,044	543	501	1,882[4]	541	1,701
4	4,997	2,948	1,103	946	988	492	496	1,776	477	1,756
1977 *1*	4,794	2,852	1,063	879	903	417	486	1,671	518	1,702
2	5,025[4]	3,187[4]	944	894	911	461	450	1,813[4]	550	1,751
3	4,965	3,100	928	937	924	477	447	1,727	547	1,767
4	4,954	3,147	919	888	918	473	445	1,753	476	1,807
1978 *1*	5,015	3,313	884	818	861	448	413	1,760	574	1,820
2	5,024	3,383	854	787	830	446	384	1,805	496	1,893
	Percentage change, quarter on corresponding quarter of previous year									
1975 *3*	*+ 2·6*	*+ 8·3*	*−19·3*	*+20·0*	*+ 0·8*	*+20·4*	*−15·9*	*+ 8·8*	*−17·3*	*+ 3·4*
4	*− 4·0*	*− 4·4*	*− 3·1*	*− 4·0*	*+ 5·6*	*− 0·2*	*+11·9*	*+ 4·0*	*−19·2*	*−12·2*
1976 *1*	*− 0·3*	*− 3·6*	*+ 1·1*	*+ 7·7*	*+ 6·1*	*+ 1·4*	*+11·5*	*+ 0·7*	*−10·6*	*− 1·8*
2	*− 0·6*	*+ 0·4*	*− 7·5*	*+ 5·5*	*− 6·0*	*−11·5*	*+ 0·2*	*+ 1·8*	*+ 7·2*	*− 2·1*
3	*− 3·5*	*− 2·2*	*− 2·4*	*− 8·6*	*+ 5·8*	*—*	*+12·8*	*−10·3*	*+11·8*	*− 4·7*
4	*− 1·8*	*+ 5·0*	*− 3·1*	*− 6·7*	*− 7·0*	*− 6·3*	*− 7·6*	*− 7·4*	*− 0·8*	*+ 7·7*
1977 *1*	*− 7·6*	*− 0·3*	*−15·1*	*−18·1*	*−17·6*	*−25·8*	*− 9·0*	*−11·0*	*+ 2·8*	*− 0·4*
2	*− 2·2*	*+ 8·3*	*−21·6*	*− 9·8*	*−10·3*	*− 9·3*	*−11·4*	*− 4·6*	*+ 5·2*	*+ 3·1*
3	*− 3·9*	*+ 0·5*	*−18·4*	*− 0·8*	*−11·5*	*−12·2*	*−10·8*	*− 8·2*	*+ 1·1*	*+ 3·9*
4	*− 0·9*	*+ 6·8*	*−16·7*	*− 6·1*	*− 7·1*	*− 3·9*	*−10·3*	*− 1·3*	*− 0·2*	*+ 2·9*
1978 *1*	*+ 4·6*	*+16·2*	*−16·8*	*− 6·9*	*− 4·7*	*+ 7·4*	*−15·0*	*+12·0*	*+10·8*	*+ 6·9*
2	*—*	*+ 6·1*	*− 9·5*	*−12·0*	*− 8·9*	*− 3·3*	*−14·7*	*− 0·4*	*− 9·8*	*+ 8·1*

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.

£million, 1975 prices, seasonally adjusted.



Indicators of fixed investment by manufacturing industry

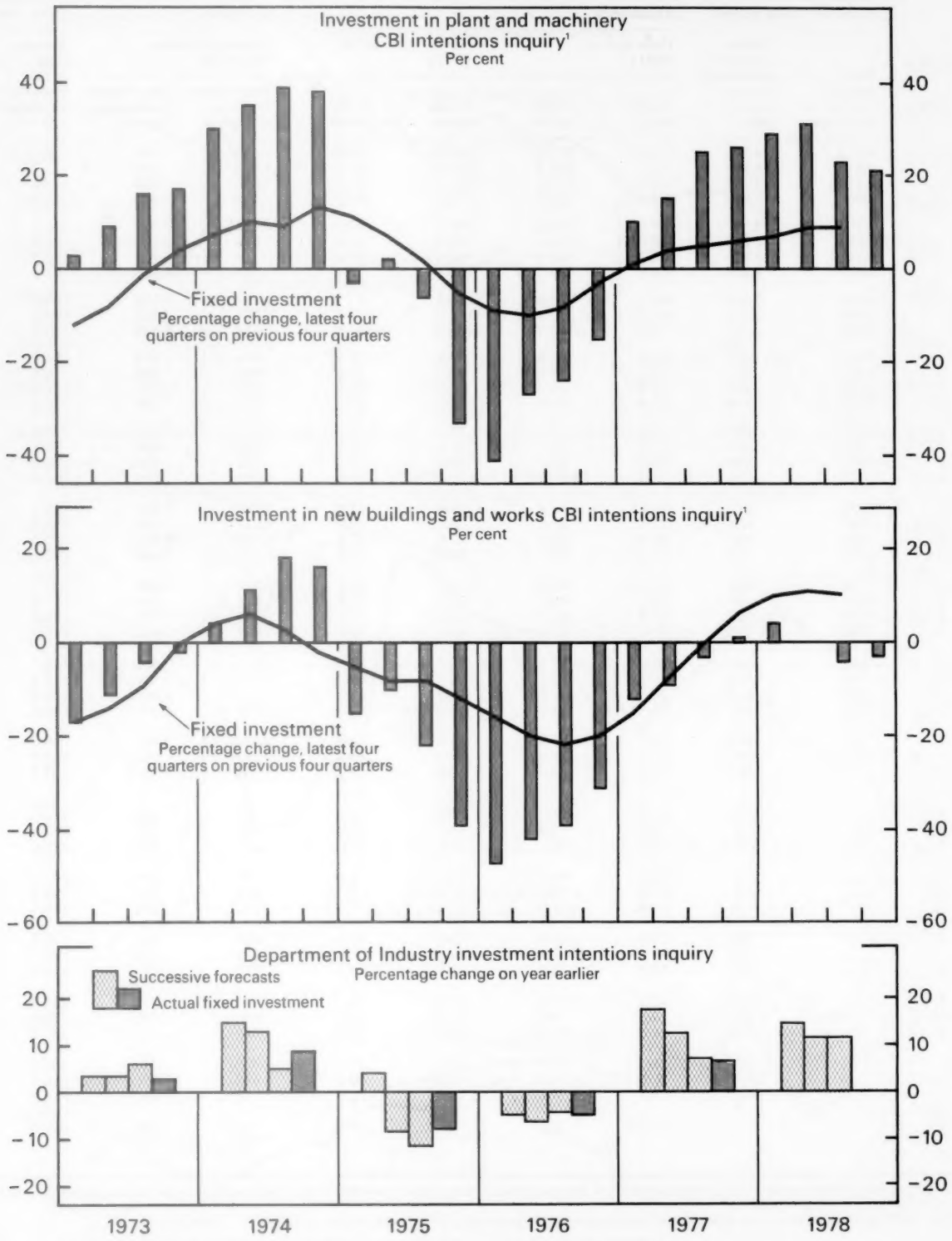
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1967	3,412·4	2,398·7	+ *1*	..	819·9	*−12*	..	1,311
1968	3,641·8	2,568·9	+ *7*	..	860·9	+ *5*	..	1,368
1969	3,897·7	2,679·5	+ *4*	..	994·3	*+15*	..	1,507
1970	4,196·4	2,974·2	*+11*	..	1,000·2	+ *1*	..	1,410
1971	3,922·5	2,795·3	− *6*	..	905·2	− *9*	..	1,012
1972	3,397·8	2,420·4	*−13*	..	738·0	*−18*	..	1,003
1973	3,504·1	2,505·3	+ *4*	..	738·7	—	..	1,287
1974	3,822·0	2,821·3	*+13*	..	727·1	− *2*	..	1,076
1975	3,521·9	2,682·1	− *5*	..	639·9	*−12*	..	684
1976	3,345·3	2,591·7	− *3*	..	513·9	*−20*	..	797
1977	3,572·6	2,739·7	+ *6*	..	547·1	+ *6*	..	957
1973 *1*	878·0	632·7	− *2*	30	179·1	− *9*	4	303
2	845·3	604·6	+ *2*	35	178·8	− *5*	11	310
3	911·7	653·5	*+12*	39	192·2	+ *4*	18	326
4	869·1	614·5	+ *4*	38	188·6	*+12*	16	348
1974 *1*	951·1	691·1	+ *9*	− 3	191·6	+ *7*	−15	270
2	948·3	697·0	*+15*	2	182·1	+ *2*	−10	271
3	947·5	702·9	+ *8*	− 6	174·8	− *9*	−22	274
4	975·1	730·3	*+19*	−33	178·6	− *5*	−39	262
1975 *1*	941·7	710·7	+ *3*	−41	176·7	− *8*	−47	209
2	900·8	685·7	− *2*	−27	167·6	− *8*	−42	164
3	849·9	646·2	− *8*	−24	155·9	*−11*	−39	183
4	829·5	639·5	*−12*	−15	139·7	*−22*	−31	128
1976 *1*	813·0	624·4	*−12*	10	135·0	*−24*	−12	180
2	827·8	640·8	− *7*	15	126·3	*−25*	− 9	194
3	848·7	659·5	+ *2*	25	126·9	*−19*	− 3	193
4	855·8	667·0	+ *4*	26	125·7	*−10*	1	229
1977 *1*	851·2	653·0	+ *5*	29	128·2	− *5*	4	214
2	879·1	669·2	+ *4*	31	134·4	+ *6*	—	264
3	910·2	701·7	+ *6*	23	139·3	*+10*	− 4	244
4	932·1	715·8	+ *7*	21	145·2	*+16*	− 3	236
1978 *1*	920·1	710·5	+ *9*	21	140·9	*+10*	− 4	272
2	959·7†	745·7†	*+11*†	18	145·2†	+ *8*†	− 7	267
3	970·4[2]	754·7[2]	+ 8	13	146·2[2]	+ 5	−15	274[2]
4				10			−11	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·7†
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 7·0
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−13·4
1973	+2 to +5	+2 to +5	+6	+ 3·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·1
1975	less than +5	−7 to −10	about −11 or −12	− 7·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·0
1977	between +15 and +20	+10 to +15	+7	+ 6·8
1978	between +12 and +17	+10 to +13	+10 to +13	
1979	+4 to +8			

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: a 10 year review', was published in *Trade and Industry* for 27 October 1978. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

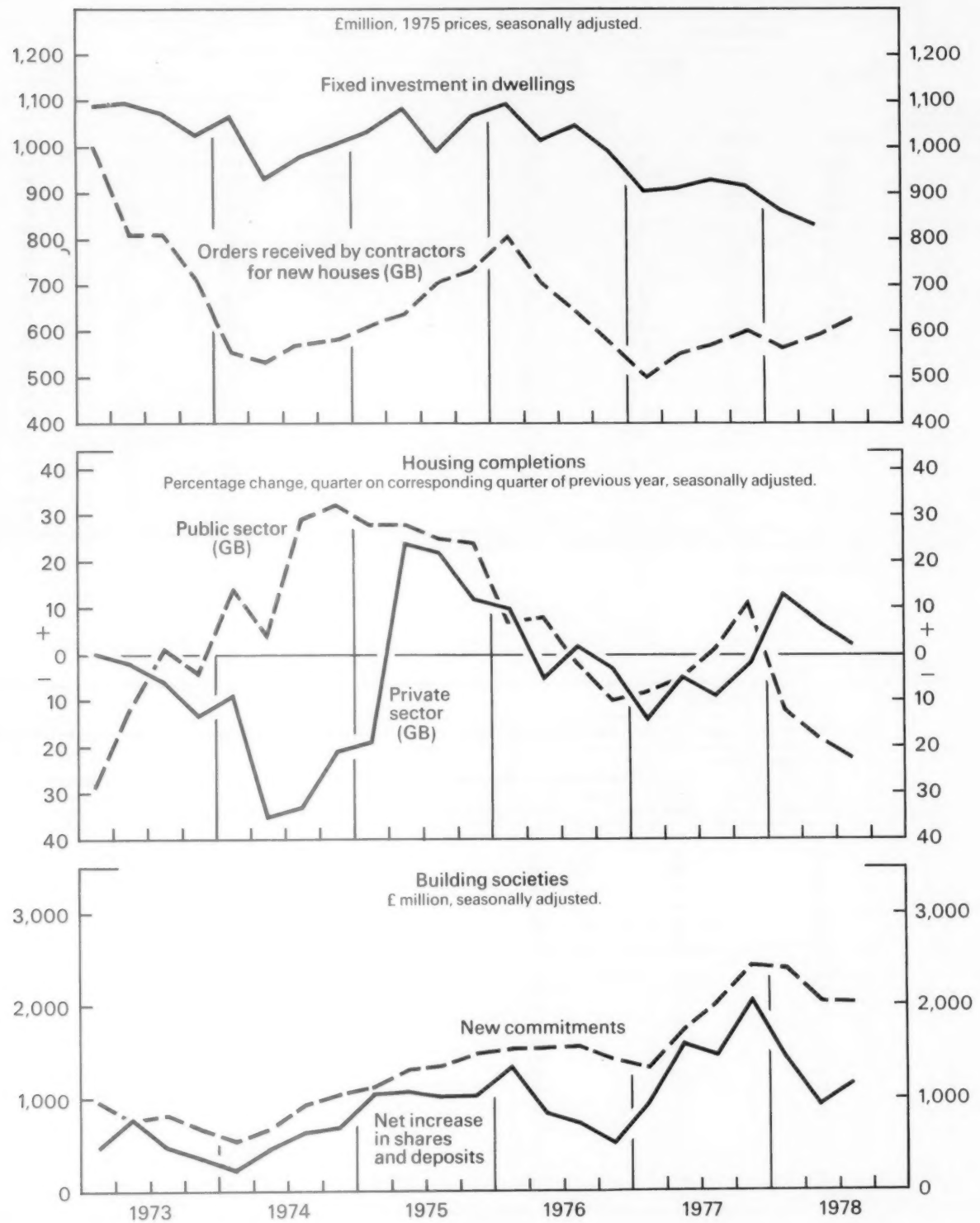
Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 =100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved [1]
			Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1967	4,312	4,383	233·6	213·9	200·4	203·9	1,649	1,099	35·0
1968	4,515	3,787	200·1	194·3	222·0	191·7	1,480	767	37·4
1969	4,317	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970	3,967	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971	4,218	3,147	207·4	136·9	191·6	158·9	3,013	2,034	49·1
1972	4,443	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973	4,281	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974	3,979	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975	4,163	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0 [2]
1976	4,144	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977	3,656	2,212	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1973 *1*	1,087	995	62·6	29·8	48·8	25·8	991	476	81·8
2	1,094	805	54·9	27·8	49·0	29·5	759	805	85·8
3	1,076	803	52·8	27·2	46·1	26·2	816	511	88·3
4	1,024	718	45·4	29·0	42·7	26·0	688	370	90·6
1974 *1*	1,064	553	33·8	34·1	44·3	29·5	533	218	90·5
2	930	526	25·8	39·7	31·9	30·8	598	456	90·0
3	979	568	22·5	36·5	30·9	33·9	931	634	92·3
4	1,006	578	23·8	35·9	33·8	34·4	1,053	685	92·6
1975 *1*	1,033	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
2	1,081	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
3	987	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
4	1,062	726	40·6	53·7	37·8	42·7	1,499	1,021	102·7
1976 *1*	1,096	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
2	1,016	700	42·0	44·3	37·8	42·4	1,552	824	107·9
3	1,044	640	39·3	44·3	38·3	41·5	1,581	727	110·3
4	988	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977 *1*	903	496	29·9	30·3	33·7	37·5	1,337	963	112·7
2	911	548	34·7	32·7	35·8	40·3	1,743	1,599	116·6
3	924	567	35·3	34·6	34·8	41·8	2,018	1,487	120·5
4	918	601	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978 *1*	861	565	35·1	26·4	38·0	32·9	2,414	1,411	130·5
2	830	587	40·6	29·9†	38·3	33·0†	2,062	910	137·9
3		624 [3]	37·4	26·0	35·5	32·8	2,041	1,150	148·2
4									
1977 *J*	..	177	12·2	11·6	12·6	12·8	611	436	119·5
A	..	195	9·8	10·9	10·4	14·4	690	470	120·8
S	..	194	13·3	12·1	11·8	14·6	717	581	121·1
O	..	179	12·3	12·4	12·3	14·9	775	676	123·1
N	..	206	10·8	11·1	11·3	13·7	809	709	124·5
D	..	216	11·8	11·0	12·4	14·3	842	665	126·1
1978 *J*	..	189	11·5	10·6	13·0	11·4	817	524	128·5
F	..	189	11·2	7·2	12·1	10·6	827	440	129·2
M	..	188	12·4	8·6	12·9	10·9	770	447	133·5
A	..	183	13·5	10·0	12·4	10·8	724	297	135·8
M	..	205	12·2	9·9	12·5	11·3	690	299	136·9
J	..	198	14·9	10·0†	13·4	10·9†	648	314	141·5
J	..	191	12·0	9·6	12·5	12·0	639	344	144·6
A	..	226 [3]	11·1	7·8	10·9	10·3	689	356	148·7
S	..	207 [3]	14·3	8·6	12·1	10·5	713	450	151·2
O	..		14·3	8·8	12·1	10·4	723	429	154·6
N	..						721	442	
D	..								

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

[3] Provisional.


£million, 1975 prices, seasonally adjusted.
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
1,200
1,100
1,000
900
800
700
600
500
400
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted.
Public sector (GB)
Private sector (GB)
40
30
20
10
+
0
−
10
20
30
40
Building societies
£ million, seasonally adjusted.
New commitments
Net increase in shares and deposits
3,000
2,000
1,000
0
1973
1974
1975
1976
1977
1978

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Book values end-December 1977[2]	34,469	19,995	7,277	7,321	5,397	7,722	3,181	4,541	6,752
1973 *1*	865†	376†	218†	187†	— 32†	253	139	114	236
2	915	334	247	97	— 8	387	314	73	194
3	682	330	192	158	— 19	195	75	120	157
4	521	269	172	92	6	221	96	125	31
1974 *1*	— 29	54	336	—138	—145	25	— 63	88	—108
2	748	454	63	147	243	209	53	156	86
3	720	685	274	108	304	— 33	— 94	61	67
4	23	94	— 15	— 65	175	— 20	— 76	56	— 51
1975 *1*	—656	—258	—292	— 77	109	—189	—105	— 84	—209
2	—442	—230	—156	— 45	— 28	—202	— 95	—107	— 10
3	—440	—476	—338	— 90	— 48	— 5	40	— 45	41
4	—387	—257	—140	— 60	— 57	49	60	— 11	—179
1976 *1*	—125	— 13	— 88	42	34	50	7	43	—162
2	— 17	— 29	— 47	38	— 20	— 76	— 67	— 9	88
3	189	99	48	37	14	127	46	81	— 37
4	214	259	23	104†	131	43	27	16	— 88
1977 *1*	442	234	92	123	21	199	117	82	9
2	354	97	— 38	— 69	204	184	4	180	73
3	6	— 5	— 23	— 33	50	—139	— 59	— 80	150
4	249	116	— 47	174	— 11	51	— 33	84	82
1978 *1*	291	38	— 26	17	48	143	62	81	110
2	405	234	— 16	110	140	87	128	— 41	84

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

[2] Unadjusted 1975 price stock levels.

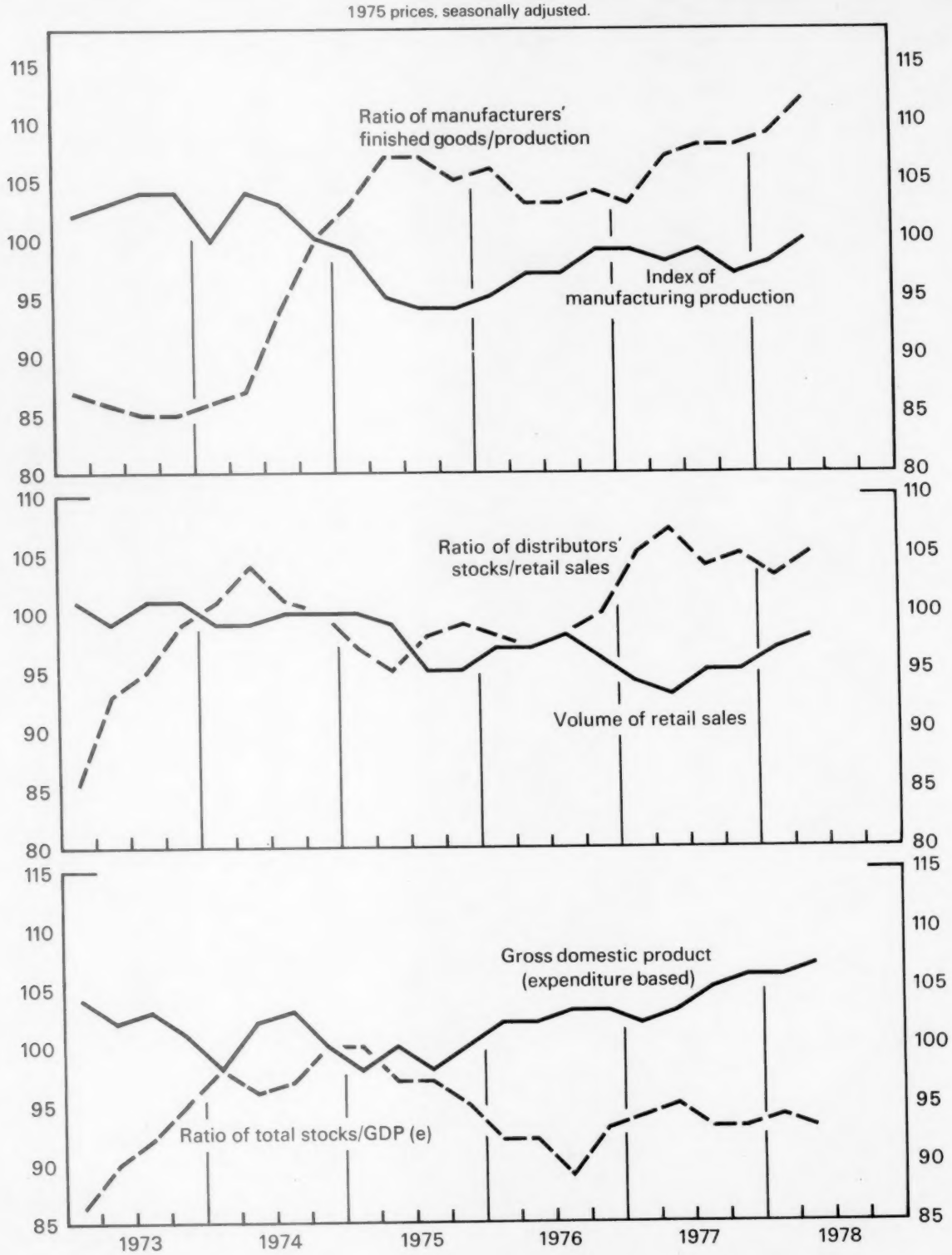
Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1973 *1*	86	87†	83†	93†	87†	85†
2	90†	88	84	93	86	93
3	92	89	86	94	85	95
4	95	90	88	95	85	99
1974 *1*	98	94	96	98	86	101
2	96	92	93	96	87	104
3	97	96	97	98	94	101
4	100	100	100	100	100	100
1975 *1*	100	100	97	100	103	97
2	97	103	100	104	107	95
3	97	102	97	103	107	98
4	95	100	94	102	105	99
1976 *1*	92	99	93	102	106	98
2	92	97	90	100	103	97
3	89	97	90	101	103	98
4	93	97	89	101	104	100
1977 *1*	94	98	90	102	103	105
2	95	99	91	102	107	107
3	93	99	90	101	108	104
4	93	100	90	105	108	105
1978 *1*	94	100	90	98	109	103
2	93	100	88	104	112	105

1975 prices, seasonally adjusted.



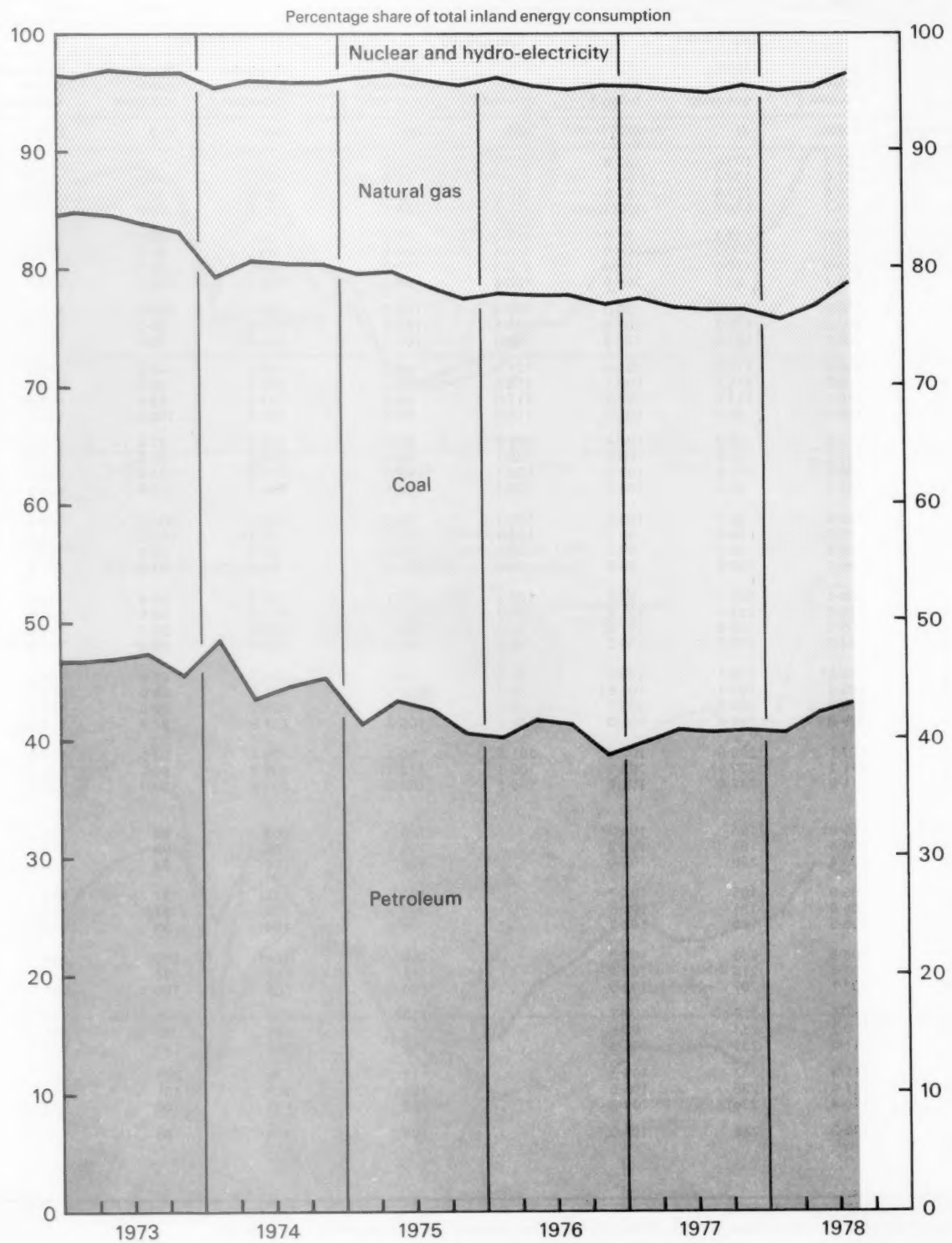
24

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1972 *1*	316·9	104·8	162·7	36·0	11·6	1·8	213·4	9·98
2	337·9	121·1	163·7	40·3	10·5	2·3	224·4	10·70
3	341·5	128·0	157·2	44·4	9·9	2·0	226·3	11·18
4	353·6	133·3	165·2	43·2	10·8	1·1	232·2	11·42
1973 *1*	350·1	134·5	162·8	40·0	10·9	1·9	243·2	11·51
2	355·4	134·6	165·8	43·7	9·3	2·0	241·3	11·69
3	358·7	131·3	169·2	45·8	10·2	2·2	241·3	12·19
4	352·5	132·4	160·3	48·1	9·9	1·8	238·3	12·79
1974 *1*	311·5	96·3	150·8	50·1	11·5	2·8	216·3	13·20
2	342·4	126·7	149·4	52·6	12·4	1·3	237·1	13·49
3	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·7	116·4	134·4	64·5	14·6	1·8	237·3	15·71
2	340·9†	118·4†	143·7	63·4	13·3	2·1	248·6	15·81
3	336·8	117·2	144·4	60·1	13·2	1·9	255·0	15·98
	Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+ 0·4*	*− 1·3*	*− 2·2*	*+11·4*	*+ 0·9*	*− 9·5*	*− 2·2*	*+ 3·9*
2	*+ 1·0*	*− 0·3*	*− 2·5*	*+ 7·2*	*+20·2*	*+62·5*	*+ 1·3*	*+ 4·7*
3	*+ 1·4*	*+ 3·1*	*− 1·8*	*+ 0·3*	*+35·2*	*−28·6*	*+ 4·1*	*+ 3·5*
4	*+ 2·9*	*+ 6·8*	*− 1·9*	*+ 4·3*	*+11·7*	*−20·0*	*+ 1·3*	*+ 2·8*
1977 *1*	*+ 1·3*	*+ 0·6*	*—*	*+ 1·2*	*+27·5*	*−15·8*	*+ 3·0*	*+ 4·8*
2	*+ 0·9*	*+ 0·2*	*− 1·3*	*+ 4·7*	*+16·0*	*− 7·7*	*+ 1·0*	*+ 6·7*
3	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*	*+ 7·7*
4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*	*+ 8·6*
1978 *1*	*− 1·6*	*− 7·8*	*+ 0·2*	*+ 5·6*	*+ 5·0*	*+12·5*	*− 0·2*	*+ 5·1*
2	*+ 0·9*	*− 2·4*	*+ 4·4*	*+ 2·0*	*− 8·8*	*−11·4*	*+ 2·3*	*+ 3·2*
3	*− 1·1*	*− 3·6*	*+ 4·6*	*− 5·2*	*−15·9*	*+11·8*	*+ 2·7*	*+ 2·6*

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends*, May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or reinjected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1973
1974
1975
1976
1977
1978

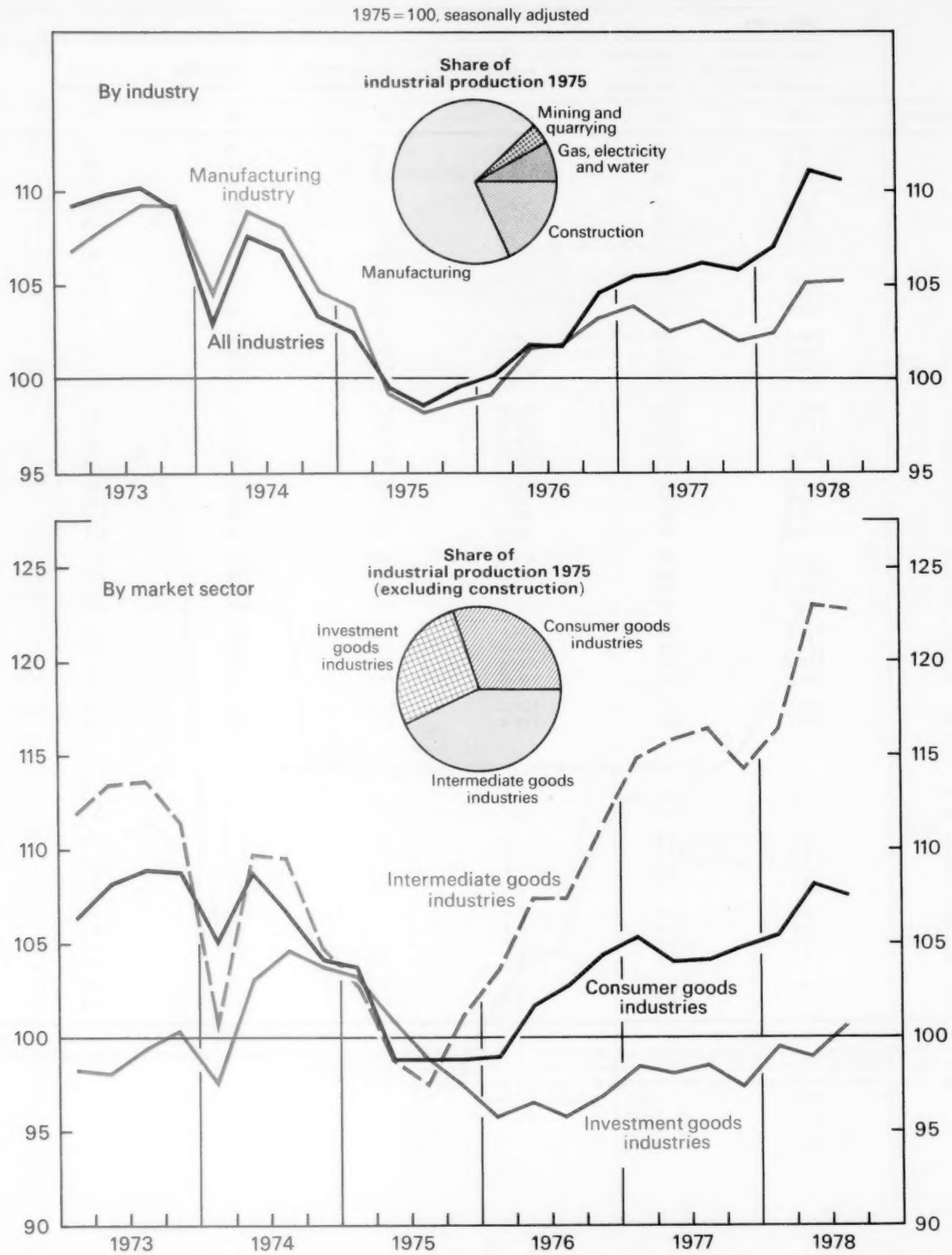
Index of industrial production

Seasonally adjusted

1975=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1967	91·2	132·6	87·8	111·6	72·6	..	..	..
1968	97·0	132·4	94·1	114·4	77·0	86·9	90·6	100·7
1969	99·6	123·9	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	103·0
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·2	108·4	118·2	99·3	108·0	99·0	112·6
1974	105·1	90·0	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	125·7	101·4	98·5	102·9	101·9	96·2	107·5†
1977	105·8	187·6	102·9	98·0	107·0	104·6†	98·1	115·4
1973 *1*	109·2	115·5	106·9	121·4	98·3	106·3	98·2	111·9
2	109·7	115·6	108·1	118·3	100·5	108·1	98·0	113·5
3	110·1	113·0	109·2	117·9	98·6	108·9	99·4	113·6†
4	109·0	96·9	109·2	115·0	99·6	108·8	100·4	111·5
1974 *1*	102·6	59·9	104·4	109·8	92·1	104·9	97·4	100·4
2	107·6	99·5	109·0	108·1	99·0	108·8	102·9	109·6
3	106·9	101·8	108·1	105·1	103·0	106·6	104·6	109·5
4	103·4	98·7	104·7	100·2	102·6	104·1	103·6	104·7
1975 *1*	102·5	95·7	103·8	100·7	99·4	103·6	103·1	102·6
2	99·5	99·4	99·2	100·4	100·8	98·8†	100·7	98·8
3	98·5	98·1	98·2	99·6	98·3	98·8	98·7	97·4
4	99·5	106·8	98·8	99·3	101·5	98·8	97·5	101·2
1976 *1*	100·1	109·7	99·1	100·2	103·7	98·9	95·6	103·5
2	101·8	121·1	101·7	97·7	102·7	101·6	96·5	107·4
3	101·7	125·8	101·8	96·4	100·2	102·6	95·7	107·4
4	104·5	146·2	103·2	99·8	104·9	104·4	96·9†	111·5
1977 *1*	105·5†	174·1	103·9	96·1	106·5	105·3	98·4	114·9
2	105·6	191·1	102·5†	96·6	108·9	104·0	98·0	115·9
3	106·2	190·6	103·1	98·5	107·6	104·2	98·5	116·4
4	105·8	194·7	102·0	100·7	105·2	104·9	97·4	114·3
1978 *1*	107·1	208·8	102·5	101·5	108·3	105·4	99·5	116·3
2	111·2	230·9†	105·1	106·8†	112·4†	108·2	99·0	123·0
3	111·0	237·0	105·2	105·9	109·5	107·5	100·7	122·8
4								
1977 *J*	105·9†	185	103·2†	..	106	104	98	116
A	106·4	191	103·2	..	109	105	99	116
S	106·4	196	103·0	..	108	104	99	117
O	105·6	195	101·7	..	105	104	97	115
N	105·5	191	101·5	..	107	105	97†	114
D	106·3	198	102·7	..	104	106	98	115
1978 *J*	106·8	205	102·3	..	108	106†	100	115
F	107·4	215	102·2	..	111	105	99	118†
M	107·1	207	102·9	..	106	106	100	116
A	111·5	223	105·7	..	116†	109	98	124
M	110·2	234	103·8	..	111	107	99	121
J	111·8	236	105·9	..	110	109	100	124
J	111·3	237	105·3	..	111	106	101	124
A	111·4	238	105·6	..	109	109	101	122
S	110·4	236†	104·5	..	108	107	100	122
O	109·3	245	103·3	..	106	106	98	122
N								
D								

[1] All industries other than construction.
[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1975 = 100, seasonally adjusted
By industry
Share of industrial production 1975
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
Manufacturing industry
All industries
110
105
100
95
1973
1974
1975
1976
1977
1978
By market sector
Share of industrial production 1975 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
125
120
115
110
105
100
95
90

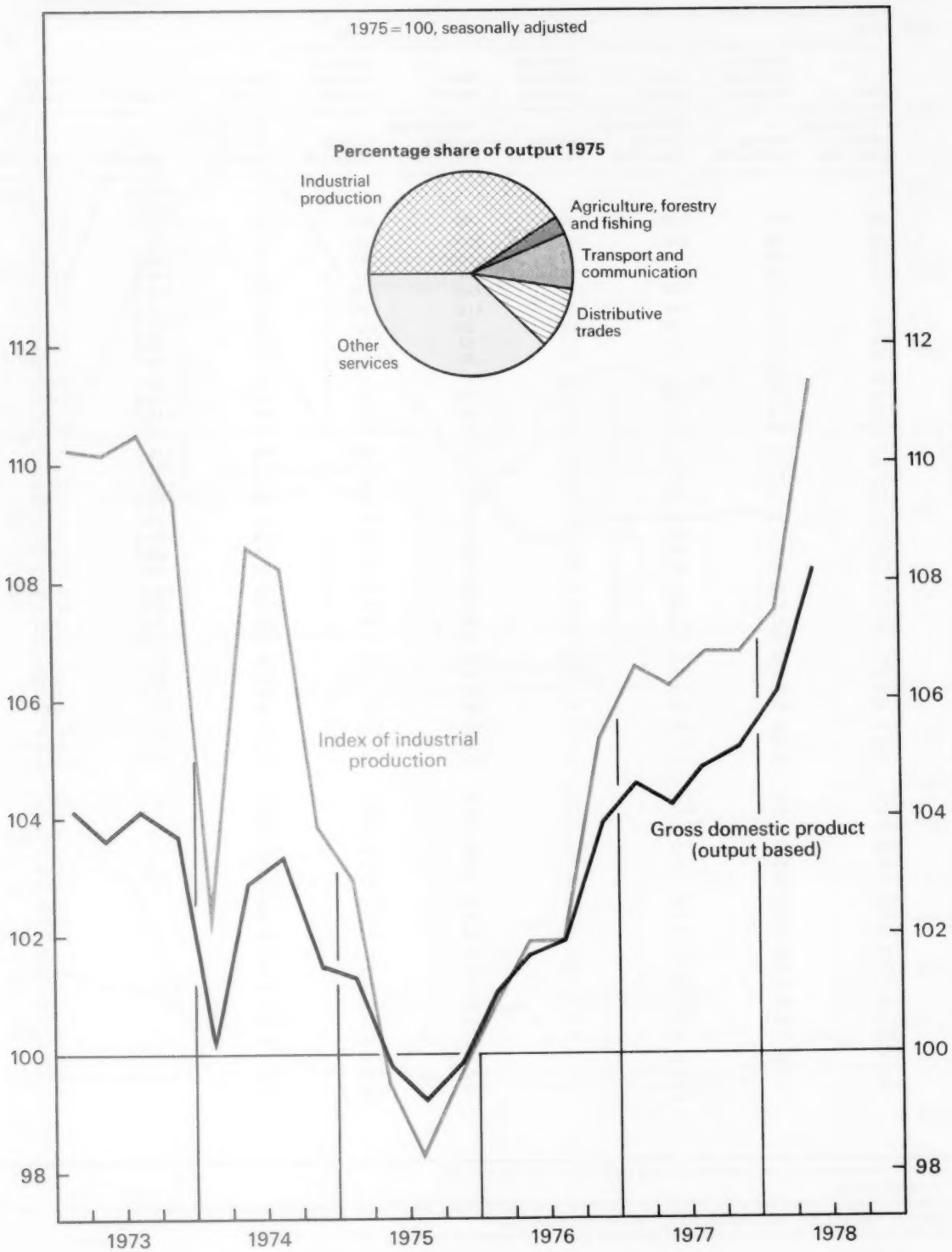
Index numbers of output

	Seasonally adjusted					
	1975=100					
	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·1	93	97·3	81	90	85
1969	91·9	92	99·9	84	91	85
1970	93·4	98	100·1	87	93	88
1971	94·8	103	99·8	90	94	90
1972	97·8	106	101·8	94	99	93
1973	103·8	109	110·0	101	106	97
1974	101·9	110	105·6	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·1	92	102·5	99	101	103
1977	104·7	109	106·6	102	99	104
1973 *1*	104·1	109	110·2	100	107	97
2	103·6	109	110·1	101	104	97
3	104·1	109	110·5	102	106	97
4	103·7	110	109·3	102	106	97
1974 *1*	100·1	110	102·0	100	103	97
2	102·9	112	108·6	102	102	97
3	103·3	111	108·2	102	104	98
4	101·5	108	103·8	101	103	98
1975 *1*	101·3	103	102·9	101	103	99
2	99·8	101	99·5	100	101	100
3	99·2	99	98·2	100	98	100
4	99·8	97	99·6	98	98	101
1976 *1*	101·0	93	100·8	98	101	103
2	101·7	89	101·9	98	101	103
3	101·9	90	101·9	100	102	103
4	103·9	97	105·3	101	101	104
1977 *1*	104·6	105	106·6	102	100	104
2	104·2	109	106·2	100	98	104
3	104·9	112	106·8	102	100	104
4	105·2	112	106·8	102	100	105
1978 *1*	106·1	113	107·5	105	102	106
2	108·2	116	111·4	105	103	106
	Percentage change, quarter on corresponding quarter of previous year					
1975 *3*	*−3·9*	*−10·8*	*− 9·2*	*− 1·4*	*−5·4*	*+2·8*
4	*−1·7*	*−10·1*	*− 4·1*	*− 2·9*	*−4·4*	*+2·8*
1976 *1*	*−0·3*	*− 9·8*	*− 2·0*	*− 3·5*	*−2·0*	*+3·6*
2	*+1·9*	*−11·4*	*+ 2·4*	*− 2·1*	*+0·1*	*+3·8*
3	*+2·8*	*− 8·4*	*+ 3·8*	*− 0·6*	*+3·8*	*+3·1*
4	*+4·1*	*− 0·2*	*+ 5·8*	*+ 3·0*	*+3·2*	*+3·2*
1977 *1*	*+3·5*	*+12·6*	*+ 5·7*	*+ 4·7*	*−0·9*	*+1·4*
2	*+2·5*	*+21·6*	*+ 4·3*	*+ 2·1*	*−3·2*	*+0·8*
3	*+2·9*	*+24·0*	*+ 4·8*	*+ 2·2*	*−1·8*	*+1·0*
4	*+1·2*	*+15·7*	*+ 1·4*	*+ 0·7*	*−1·2*	*+0·8*
1978 *1*	*+1·5*	*+ 7·9*	*+ 0·8*	*+ 2·1*	*+1·9*	*+1·5*
2	*+3·8*	*+ 6·2*	*+ 4·9*	*+ 5·3*	*+5·4*	*+1·8*

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1*	100·8	1977 *1*	103·2	1978 *1*	104·1
	2	101·2	*2*	102·5	*2*	105·8
	3	101·4	*3*	103·2		
	4	103·0	*4*	103·4		

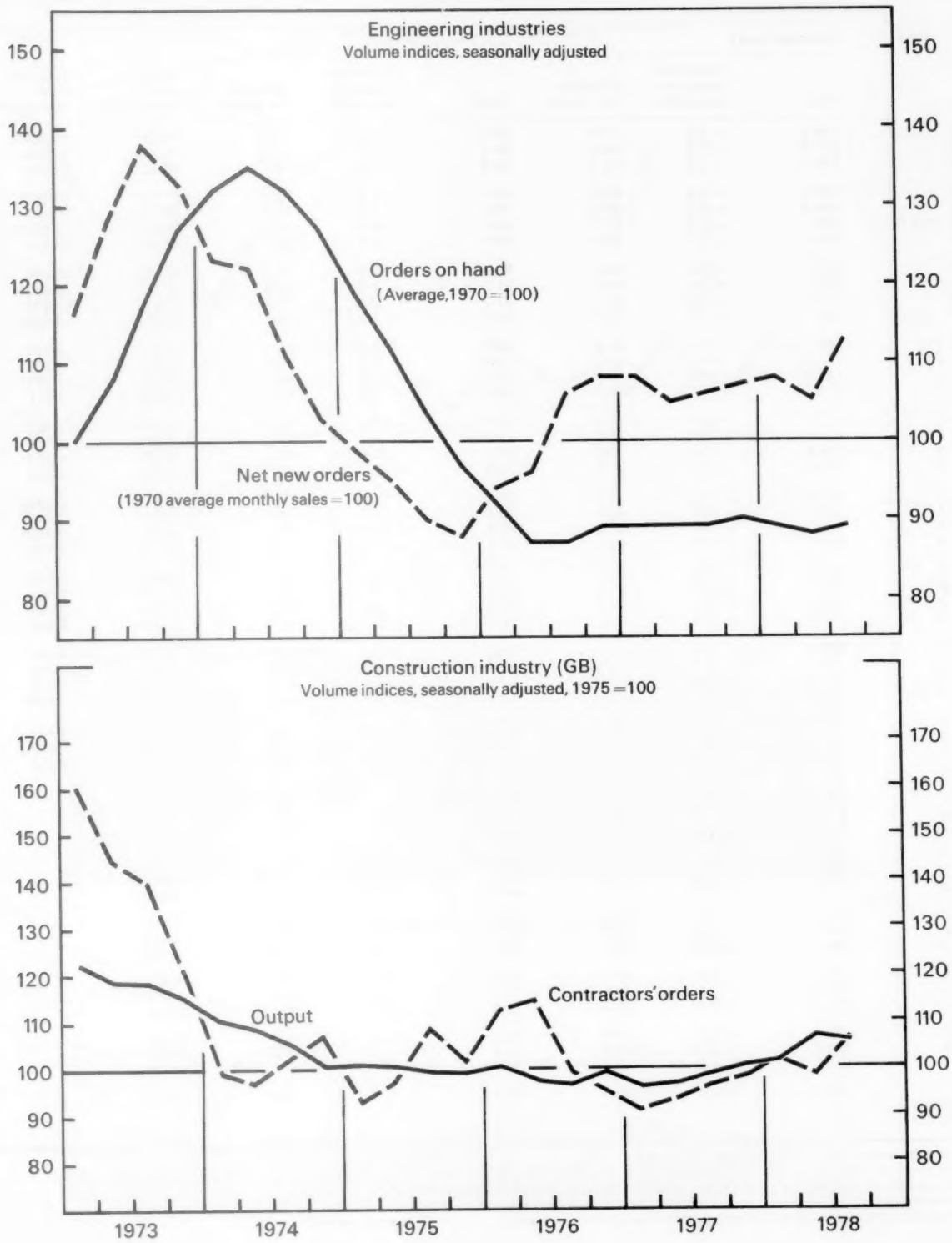

1975 = 100, seasonally adjusted
Percentage share of output 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
112
110
108
106
104
102
100
98
Index of industrial production
Gross domestic product (output based)
1973
1974
1975
1976
1977
1978

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3, 4]	Orders received
	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	1975=100	1975=100
1967	..	..	..	..	..	..	..	115·3	154·4
1968	..	..	..	..	..	..	..	117·9	142·4
1969	97	101	100	102	99	100	102	118·6	133·7
1970	100	99	100	99	100	99	101	115·2	131·1
1971	99	89†	94	92	95†	84	90	116·2	139·2
1972	100	96	104	99†	107	89	96	116·9	146·3
1973	111	127	129	126	129	128	128	118·6	141·4
1974	115	127	115	120	110	141†	128	106·3	101·1
1975	110	97	93	90	89	112	103	100·0	100·0
1976	105	89	101	77	92	117	124	98·5	105·5
1977	106	90	107	76	98	120	129	98·0	94·6
1973 *1*	108	99†	116	103†	121	90	104	122·1	160·7
2	111	107	128†	110	129†	100	126†	118·8	144·4
3	112	118	138	120	136	115	144	118·3	139·9
4	113†	127	133	126	131	128	139	115·2	120·4
1974 *1*	110	132	123	127	113	143	148	110·4	98·9
2	115	135	122	128	116	150†	139	108·7	96·7
3	117	132	111	126	109	147	115	105·7	101·8
4	116	127	103	120	101	141	110	100·4	106·8
1975 *1*	118	119	99	112	96	133	106	100·7	92·5
2	110	112	95	105	91	128	106	100·4	97·1
3	108	104	90	97	86	120	101	99·6	108·8
4	105	97	88	90	83	112	98	99·3	101·6
1976 *1*	104	92	94	85	88	107	110	100·3	112·6
2	107	87	95	81	91	102	107	97·6	114·5
3	105	87	106	78	95	108	135	96·3	99·7
4	105	89	108	77	95	117	144	99·9	95·2
1977 *1*	107	89	108	76	100	119	131	96·1	91·0
2	106	89	105	75	95	121	133	96·5	93·3
3	106	89	106	75	97	120	130	98·5	96·1
4	104	90	106	76	100	120	125	100·7	98·1
1978 *1*	108	89	108	77	102	118	123	101·5	101·8
2	108	88	105	77	100	115	118	107·1	98·1
3	110	89	113	77	105	118	134	105·8[5]	106·2[5]
4									
1977 *A*	108	89	110	76	99	120	139	..	90·5
M	104	90	107	76	96	122	137	..	89·6
J	107	89	100	75	91	121	122	..	99·9
J	108	88	104	75	99	119	118	..	87·8
A	105	89	110	75	98	121	142	..	91·8
S	107	89	104	75	95†	120	129	..	108·5
O	106	89	107	75	99	120	128	..	84·6
N	101	89	100	76	98	118	106	..	100·0
D	105	90	113	76	102	120†	140†	..	109·7
1978[5] *J*	105†	89	102†	77	100	118	107	..	101·6
F	107	91	119	78†	106	121	153	..	105·6
M	112	89	102	77	99	118	108	..	98·2
A	106	89	102	77	99	117	112	..	93·8
M	110	90†	114	77	105	118	138	..	102·6
J	108	88	99	77	97	115	104	..	97·7
J	106	89	109	77	106	114	117	..	94·5
A	110	88	109	77	100	115	134	..	110·5[5]
S	113	89	120	77	108	118	152	..	113·8[5]
O									
N									
D									

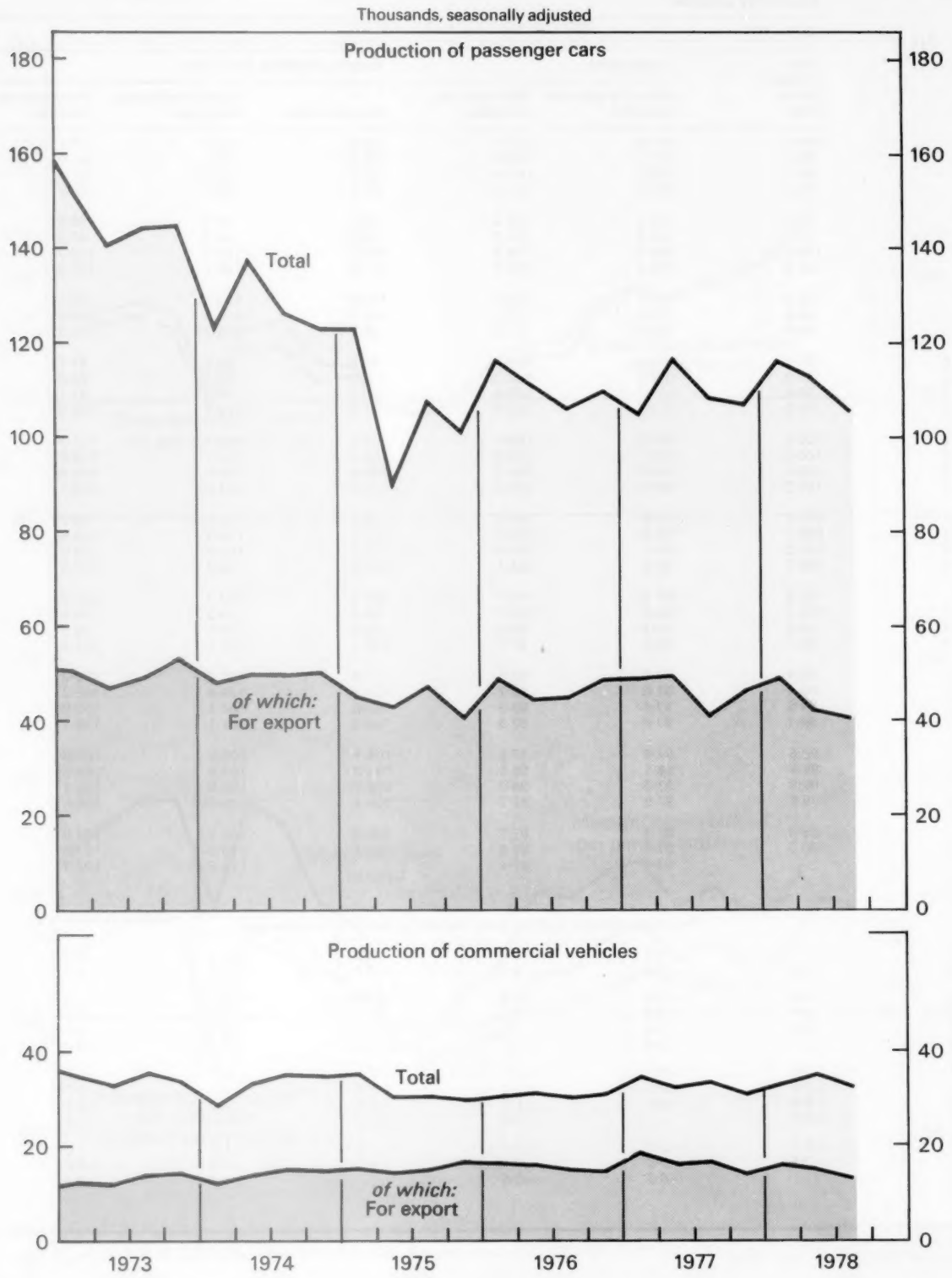
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.


Engineering industries
Volume indices, seasonally adjusted
Orders on hand
(Average, 1970 = 100)
Net new orders
(1970 average monthly sales = 100)
Construction industry (GB)
Volume indices, seasonally adjusted, 1975 = 100
Output
Contractors' orders
1973
1974
1975
1976
1977
1978

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1967	129·3	*− 3·2*	47·0	32·1	*−12·2*	11·6	24,257	15,840
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5	26,255	16,835
1969	143·1	*− 5·5*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·6*	11·3	25,293	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1973 *1*	152·2	*− 1·5*	50·8	35·4	*+ 9·9*	12·5	6,671	4,667
2	140·5	*−12·4*	47·7	33·6	*− 1·2*	12·1	6,415	4,368
3	144·6	*−10·3*	49·7	35·9	*+11·0*	14·1	6,954	4,599
4	145·1	*−11·7*	53·5	34·0	*− 9·4*	14·4	6,649	4,811
1974 *1*	123·2	*−19·1*	48·2	29·2	*−17·5*	12·3	5,218	4,357
2	137·9	*− 1·9*	50·0	33·9	*+ 0·9*	14·0	5,784	4,560
3	126·8	*−12·4*	50·0	35·8	*− 0·1*	15·6	5,763	4,252
4	123·5	*−14·9*	50·5	35·3	*+ 3·7*	14·9	5,599	4,379
1975 *1*	123·4	*+ 0·2*	45·5	35·6	*+22·2*	15·8	6,102	4,267
2	90·1	*−34·7*	43·4	30·6	*− 9·9*	14·7	4,661	3,695
3	108·0	*−14·8*	47·5	30·6	*−14·7*	15·2	4,231[5]	3,715[5]
4	101·1	*−18·1*	41·0	30·1	*−14·6*	16·5	4,719	3,769
1976 *1*	116·6	*− 5·5*	49·3	30·7	*−13·9*	16·3	5,480	4,076
2	111·4	*+23·6*	44·7	31·6	*+ 3·3*	16·1	5,731	3,887
3	106·4	*− 1·5*	45·3	30·5	*− 0·2*	15·6	5,375	3,785
4	110·0	*+ 8·9*	49·0	31·2	*+ 3·7*	15·2	5,650	4,056
1977 *1*	105·4	*− 9·7*	49·3	34·7	*+13·2*	18·6	5,417	3,744
2	116·9	*+ 5·0*	49·9	32·4	*+ 2·5*	16·3	4,908	3,758
3	108·8	*+ 2·3*	41·9	33·9	*+11·0*	16·5	5,419	3,974
4	107·5	*− 2·3*	46·5	31·8	*+ 1·7*	14·3	4,641	3,824
1978 *1*	116·8	*+10·8*	49·2	33·7	*− 3·1*	16·1	4,957	4,202
2	112·9	*− 3·5*	42·2	35·4	*+ 9·2*	15·4	5,306	3,949
3	106·2	*− 2·4*	41·2	32·7	*− 3·5*	13·8	4,741	3,930
4								
1977 *J*	105·3	*−19·5*	40·7	33·4	*+ 1·8*	16·6	1,703	..
A	101·6	*+20·2*	35·7	34·3	*+25·7*	16·7	1,996[6]	..
S	119·6	*+15·0*	49·4	33·9	*+ 7·9*	16·1	1,720	..
O	103·0	*−10·5*	47·6	33·3	*+ 5·3*	15·2	1,506	..
N	103·9	*− 8·5*	46·0	29·9	*−11·0*	12·8	1,846[6]	..
D	115·7	*+14·0*	45·9	32·1	*+12·7*	15·0	1,289	..
1978 *J*	112·2	*− 7·1*	46·9	33·5	*− 8·7*	16·3	1,340	..
F	112·4	*+13·9*	43·9	31·1	*− 6·9*	15·2	1,523	..
M	125·9	*+30·0*	56·8	36·4	*+ 6·5*	16·9	2,094[6]	..
A	121·4	*− 0·1*	50·6	36·3	*+12·8*	16·7	1,684	..
M	106·2	*−12·6*	40·1	35·4	*− 1·4*	15·2	1,976[6]	..
J	111·0	*+ 3·1*	35·9	34·5	*+18·3*	14·4	1,646	..
J	91·8	*−12·8*	35·4	34·2	*+ 2·4*	14·3	1,701	..
A	115·1	*+13·3*	48·8	31·1	*− 9·3*	14·0	1,452[6]	..
S	111·8	*− 6·6*	39·4	32·7	*− 3·5*	13·0	1,598	..
O	79·7	*−22·6*	36·8	25·7	*−22·6*	10·7	1,616	..
N								..
D								..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'useable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
180
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1973
1974
1975
1976
1977
1978

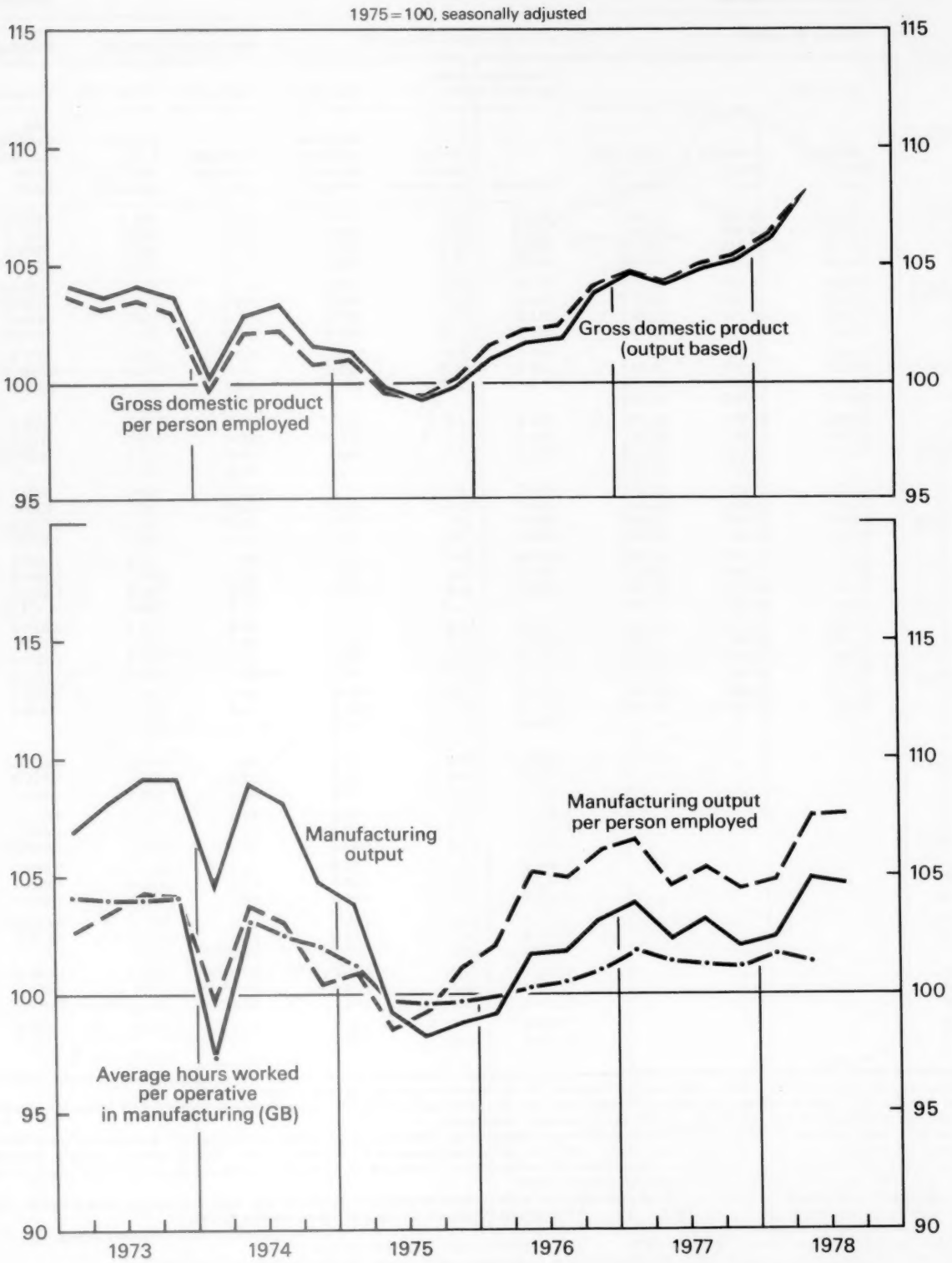
Output per person employed

Seasonally adjusted

1975=100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1967	100·2	111·4	110·7	86·2	82·0	79·4
1968	99·8	111·1	109·9	90·3	87·4	85·7
1969	99·7	110·8	111·3	92·1	90·0	87·7
1970	99·3	109·3	111·0	94·1	91·4	88·3
1971	97·6	106·1	107·4	97·1	94·2	90·8
1972	98·3	103·4	103·9	99·5	98·7	96·3
1973	100·4	104·7	104·5	103·4	104·6	103·7
1974	100·7	104·4	104·7	101·2	100·7	101·8
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·5	97·6	97·0	102·7	104·5	104·6
1977	99·8	97·8	97·8	104·9	108·2†	105·2
1972 *1*	97·9	103·5	104·4	96·5	93·2	91·1
2	97·9	103·4	104·0	100·0	99·4	96·0
3	98·4	103·3	103·8	100·0	99·9	97·1
4	99·0	103·6	103·7	101·3	102·5	100·9
1973 *1*	100·2	104·3	104·1	103·7	104·7	102·7
2	100·3	104·7	104·4	103·2	104·7	103·5
3	100·4	104·8	104·6	103·5	105·0	104·4
4	100·5	104·9	104·9	103·0	104·0†	104·1
1974 *1*	100·3	104·6	104·8	99·7	98·1	99·7
2	100·7	104·5	105·0	102·1	103·0	103·8
3	101·0	104·1	104·9	102·2	102·6	103·0
4	100·7	104·2	104·1	100·8	99·3	100·5
1975 *1*	100·3	101·9	102·7	101·0	100·7	101·0
2	100·1	100·4	100·7	99·6	99·2	98·5
3	99·9	99·4	98·9	99·3	99·1	99·3
4	99·7	98·4	97·7	100·1	101·1	101·2
1976 *1*	99·4	97·9	97·0	101·6	102·2	102·2
2	99·4	97·5	96·7	102·3	104·4	105·2
3	99·5	97·4	96·9	102·5	104·4	105·0
4	99·7	97·6	97·3	104·3	107·1	106·1
1977 *1*	99·8	97·8	97·6	104·7	108·0	106·5
2	99·9	98·1	98·0	104·3	107·6	104·5†
3	99·9	97·9	98·0	105·0	108·6	105·4
4	99·8	97·6	97·7	105·4	108·5†	104·5
1978 *1*	99·9	97·7	97·7	106·3	109·7	104·9
2	100·0	97·6	97·6	108·2	113·8	107·6
3		97·4	97·4		113·6	107·7
4						
		Percentage change, quarter on corresponding quarter of previous year				
1975 *3*	*−1·1*	*−4·5*	*−5·7*	*−2·8*	*−3·4*	*−3·6*
4	*−1·0*	*−5·6*	*−6·1†*	*−0·7*	*+1·8*	*+0·7*
1976 *1*	*−0·9*	*−3·9*	*−5·6*	*+0·6*	*+1·5*	*+1·2*
2	*−0·7*	*−2·9*	*−4·0*	*+2·7*	*+5·2*	*+6·8*
3	*−0·4*	*−2·0*	*−2·0*	*+3·2*	*+5·3*	*+5·7*
4	—	*−0·8*	*−0·4*	*+4·2*	*+5·9*	*+4·8*
1977 *1*	*+0·4*	*−0·1*	*+0·6*	*+3·1*	*+5·7*	*+4·2*
2	*+0·5*	*+0·6*	*+1·3*	*+2·0*	*+3·1*	*−0·7†*
3	*+0·4*	*+0·5*	*+1·1*	*+2·4*	*+4·0*	*+0·4*
4	*+0·1*	—	*+0·4*	*+1·1*	*+1·3†*	*−1·5*
1978 *1*	*+0·1*	*−0·1*	*+0·1*	*+1·5*	*+1·6*	*−1·5*
2	*+0·1*	*−0·5*	*−0·4*	*+3·7*	*+5·8*	*+3·0*
3		*−0·5*	*−0·6*		*+4·6*	*+2·2*
4						

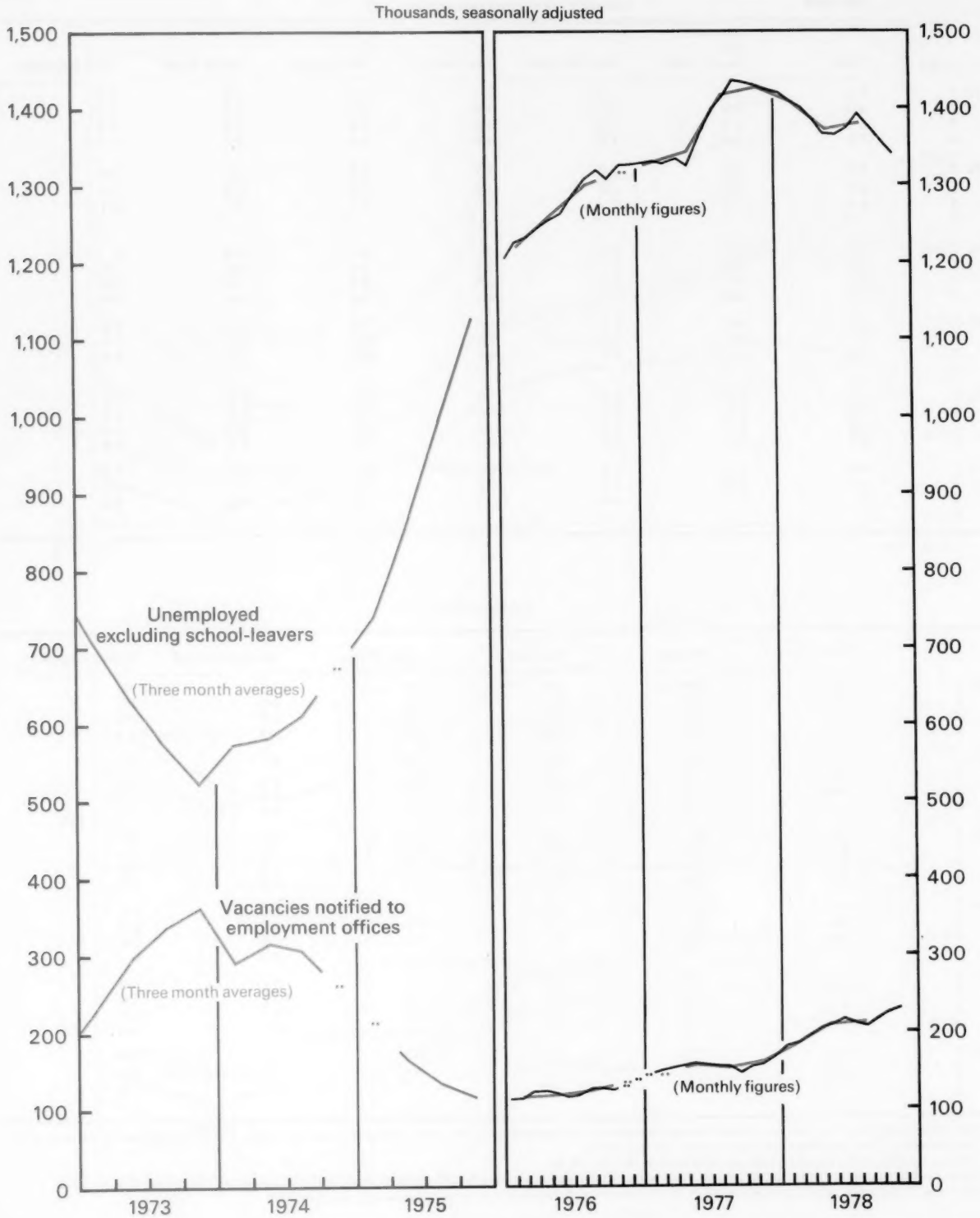
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1975 = 100, seasonally adjusted
115
110
105
100
95
Gross domestic product
(output based)
Gross domestic product
per person employed
Manufacturing output
per person employed
Manufacturing
output
Average hours worked
per operative
in manufacturing (GB)
90
1973
1974
1975
1976
1977
1978

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975=100	1975=100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3]	Thousands	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[8]	Total unemployed including school leavers
1967	25,526	24,980	22,801	547·2	*2·3*	175·1	111·0	104·7	556·7
1968	25,412	24,826	22,640	574·4	*2·4*	189·5	110·0	105·6	583·3
1969	25,406	24,841	22,608	566·3	*2·4*	202·0	111·5	105·7	576·2
1970	25,336	24,732	22,458	602·0	*2·6*	188·3	111·3	104·6	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	107·5	102·7	792·1
1972	25,243	24,384	22,114	854·9	*3·7*	147·3	103·8	102·2	875·6
1973	25,599	24,969	22,661	611·0	*2·6*	307·0	104·5	104·1	618·8
1974	25,655	25,061	22,791	599·7[5]	*2·6*[5]	301·6[5]	105·0	101·2	614·9[5]
1975	25,843	24,930	22,708	929·1	*3·9*	148·1[5]	100·0	100·0	977·6
1976	26,131	24,759	22,537	1,269·9[5]	*5·3*[5]	120·0[6]	96·7	100·4	1,358·8[5]
1977	26,360	24,870	22,657	1,378·1	*5·8*	155·6[5]	98·1	101·4	1,483·6
1978	26,382	24,902	22,698				97·5		
1974 *1*	25,580	24,984	22,704	574·5	*2·5*	292·6	104·7	97·3	624·9
2	25,655	25,061	22,791	581·6	*2·5*	317·9	105·0	103·1	570·2
3	25,752	25,141	22,879	613·0	*2·6*	308·2	104·8	102·5	628·3
4	..[7]	25,077	22,829	..[7]	..[7]	..[7]	103·8	102·0	..[7]
1975 *1*	25,760	24,965	22,732	735·2	*3·1*	..[7]	102·2	101·2	788·7
2	25,843	24,930	22,708	858·5	*3·6*	163·0	100·0	99·7	853·8
3	25,972	24,879	22,653	994·6	*4·2*	133·8	98·4[8]	99·6	1,095·5
4	26,030	24,822	22,597	1,128·2	*4·8*	115·5	97·4	99·7	1,172·3
1976 *1*	26,050	24,758	22,535	1,219·9	*5·1*	114·7	96·7	99·9	1,297·5
2	26,131	24,759	22,537	1,260·7	*5·3*	118·1	96·7	100·2	1,294·9
3	26,167[8]	24,775	22,551[8]	1,300·1	*5·4*	125·0	97·0	100·5	1,473·7
4	26,210	24,828	22,608	..[9]	..[9]	..[7]	97·3	101·0	..[9]
1977 *1*	26,249	24,849	22,633	1,329·5	*5·6*	..[7]	97·8	101·9	1,417·8
2	26,360	24,870	22,657	1,340·6	*5·6*	157·7	98·1	101·4	1,394·7
3	26,403	24,864	22,650	1,414·6	*5·9*	151·9	98·0	101·2	1,622·4
4	26,350	24,857	22,647	1,427·8	*6·0*	160·1	97·7	101·1	1,499·4
1978 *1*	26,364	24,882	22,675	1,409·4	*5·9*	187·7	97·7	101·7	1,506·1
2	26,382	24,902	22,698	1,372·7	*5·7*	210·3	97·5	101·4	1,428·2
3				1,380·6		213·0		101·2	
4									
1977 *J*	..	..	..	1,398·5	*5·9*	155·2	98·2	101·3	1,622·4
A	..	..	..	1,410·3	*5·9*	153·4	98·0	101·5	1,635·8
S	..	..	..	1,434·9	*6·0*	147·2	98·0	100·9	1,609·1
O				1,431·5	*6·0*	156·0	97·8	101·2	1,518·3
N	..	..	..	1,429·6	*6·0*	159·4	97·7	101·0	1,499·1
D	..	..	..	1,422·3	*6·0*	165·0	97·7	101·2	1,480·8
1978 *J*	..	..	..	1,419·2	*5·9*	180·3	97·7	101·7	1,548·5
F	..	..	..	1,409·0	*5·9*	187·0	97·7	101·6	1,508·7
M	..	..	..	1,400·0	*5·9*	195·8	97·7	102·0	1,461·0
A	..	..	..	1,387·1	*5·8*	203·7	97·6	101·6	1,451·8
M	..	..	..	1,366·4	*5·7*	209·9	97·6	101·6	1,386·8
J	..	..	..	1,364·7	*5·7*	217·4	97·5	101·1	1,446·1
J	..	..	..	1,371·4	*5·7*	211·0	97·6	101·3	1,585·8
A	..	..	..	1,392·1	*5·8*	209·3	97·4	101·0	1,608·3
S	..	..	..	1,378·3	*5·8*	218·7	97·2	101·3	1,517·7
O	..	..	..	1,359·6	*5·7*	228·4	97·0	101·2	1,429·5
N	..	..	..	1,338·8	*5·6*	231·3			1,392·0
D	..	..	..						

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employee in employment figures for the UK which are provisional until the publication of the results of the Census of Employment for June 1977, include a constant component for Northern Ireland.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is that for mid-1976.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975.
[8] Estimates after June 1976 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed
excluding school-leavers
(Three month averages)
Vacancies notified to
employment offices
(Three month averages)
(Monthly figures)
(Monthly figures)
1973
1974
1975
1976
1977
1978

Regional unemployment rates[1]

Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·4	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	4·9	4·3	4·4	3·8	5·8	5·4
2	6·7	5·1	4·3	4·5	3·9	6·0	5·4
3	6·9	5·2	4·6	4·7	4·1	6·1	5·4
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	7·3	5·1	4·6	4·9	4·2	6·4	5·2
2	7·4	5·1	4·6	5·0	4·2	6·4	5·3
3	7·8	5·5	4·9	5·2	4·4	6·7	5·5
4	8·1	5·6	4·9	5·2	4·4	6·8	5·4
1978 *1*	8·4	5·6	4·9	5·0	4·2	6·6	5·2
2	8·1	5·6	4·8	4·9	4·1	6·3	5·2
3	8·1	5·7	4·8	4·9	4·0	6·2	5·2
4							

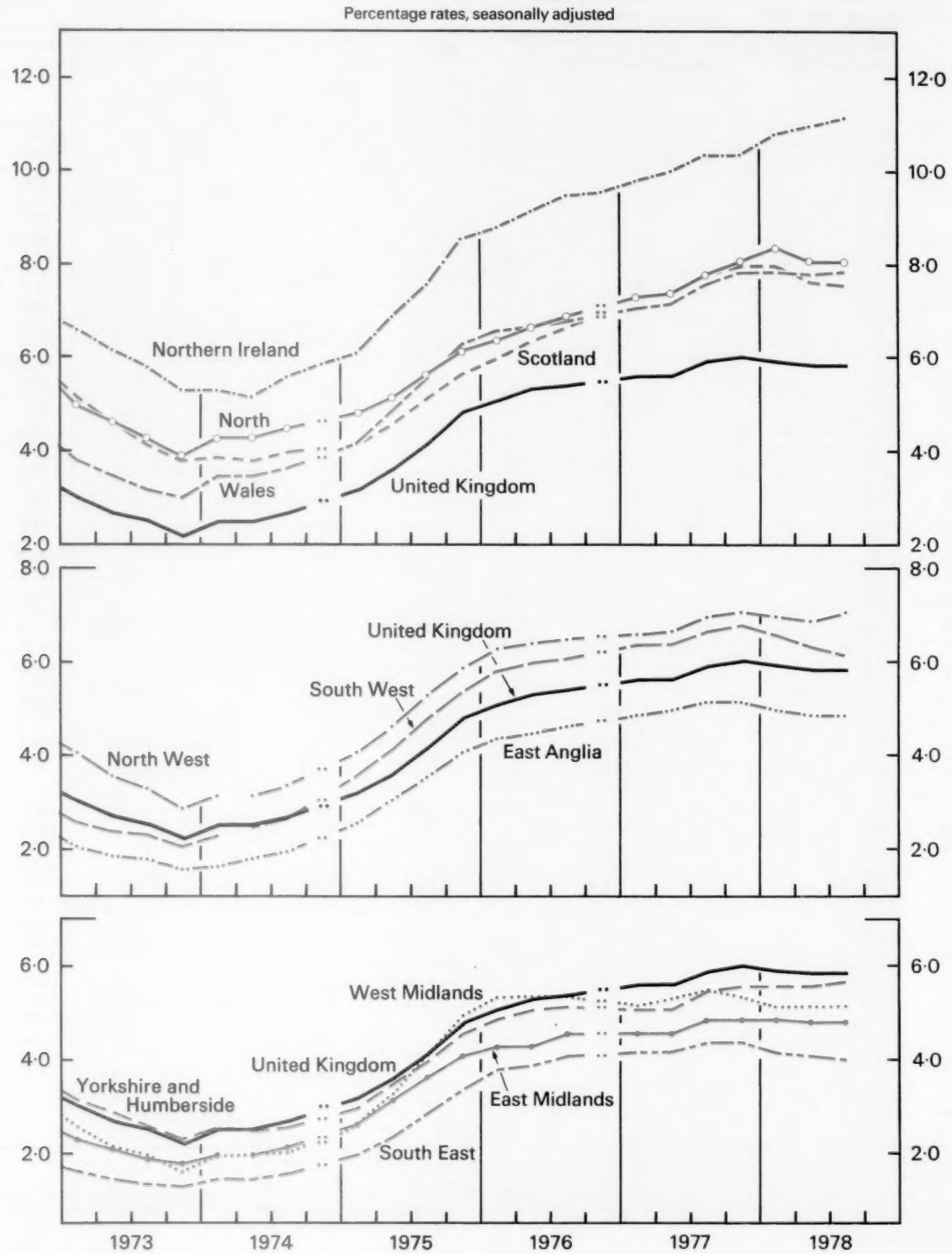
	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973 *1*	4·1	3·8	5·2	3·0	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·7	6·4	5·2	9·2	5·3
3	6·5	6·8	6·7	5·4	9·5	5·4
4	..[4]	..[4]	..[4]	..[4]	9·6	..[4]
1977 *1*	6·6	7·1	7·3	5·5	9·8	5·6
2	6·7	7·2	7·4	5·5	10·0	5·6
3	7·0	7·6	7·8	5·8	10·4	5·9
4	7·1	7·9	8·0	5·9	10·4	6·0
1978 *1*	7·0	7·9	8·0	5·8	10·8	5·9
2	6·9	7·8	7·7	5·6	11·0	5·8
3	7·1	7·9	7·6	5·7	11·2	5·8
4						

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1976.

[2] The boundaries of the standard regions were revised in April 1974.

[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.

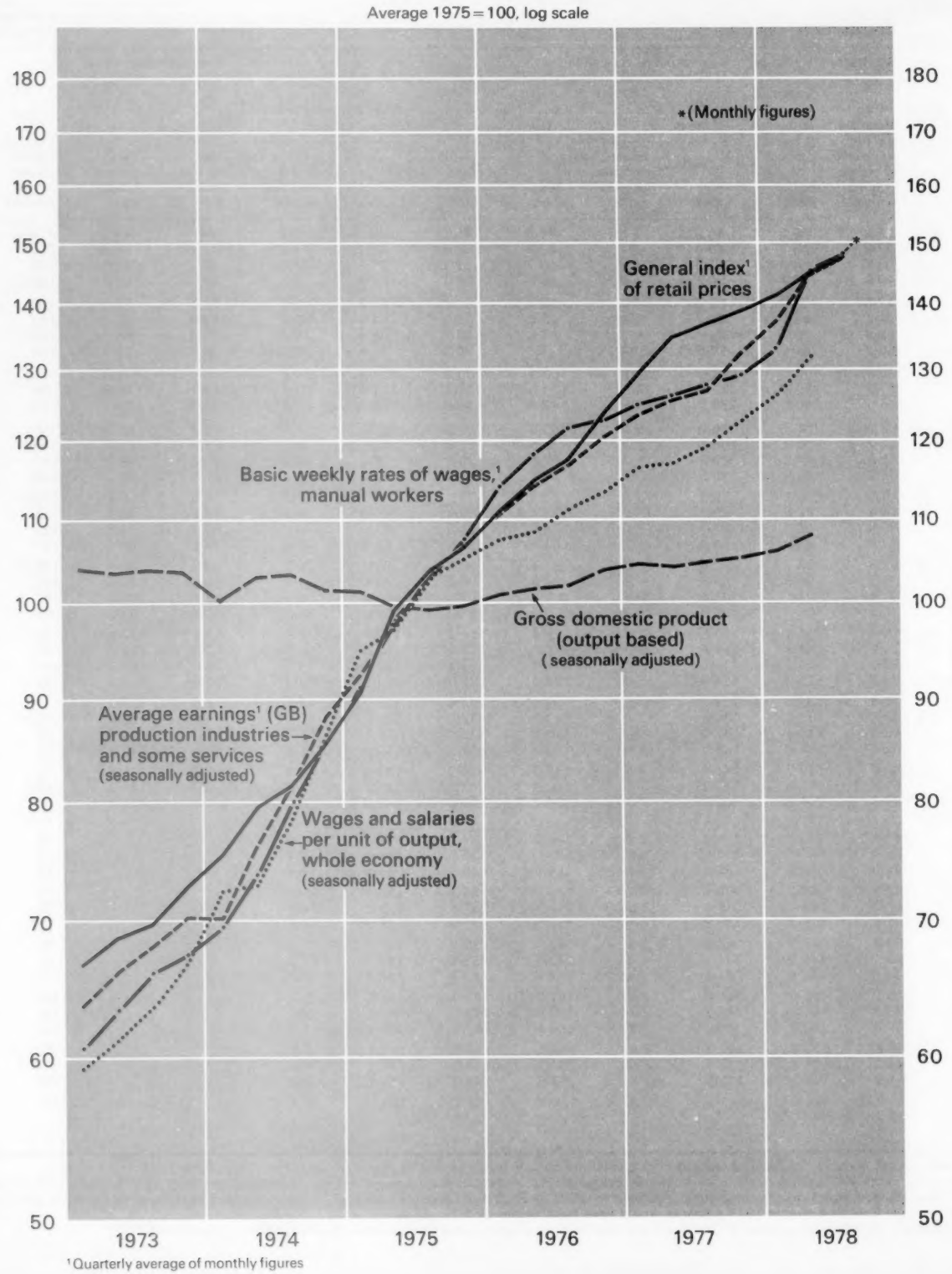
[4] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
North
Wales
Scotland
United Kingdom
8·0
6·0
4·0
2·0
United Kingdom
South West
North West
East Anglia
6·0
4·0
2·0
West Midlands
United Kingdom
Yorkshire and Humberside
East Midlands
South East
1973
1974
1975
1976
1977
1978

Wage rates and earnings

	Unadjusted				Seasonally adjusted					
	31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1967	63·9	63·6	..	..	81·8	*3·6*	81·1	*3·6*	42·4	42·4
1968	68·1	68·4	..	..	88·2	*7·8*	87·8	*8·2*	43·3	42·5
1969	71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	44·7	45·2
1970	78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·0	50·8
1971	89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	53·6	55·6
1972	101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	58·2	57·9
1973	115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	62·7	61·2
1974	138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	77·4	75·6
1975	178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976	213·2	209·0	106·0	..	261·9	*15·6*	260·8	*16·5*	110·2	113·7
1977	227·3	218·9	115·6	*9·1*	288·5	*10·2*	287·6	*10·3*	118·9	125·3
1973 *1*	108·7	108·1	..	..	144·4	..[3]	143·7	..[3]	59·4	58·5
2	113·4	111·7	..	..	150·2	*14·9*	149·6	*13·8*	61·3	60·2
3	118·1	117·8	..	..	154·5	*14·5*	153·6	*13·2*	63·5	61·7
4	120·6	120·7	..	..	159·2	*12·5*	159·1	*13·3*	66·8	64·5
1974 *1*	124·3	122·7	..	..	159·1[4]	*10·2*[4]	157·4[4]	*9·5*[4]	72·2	67·3
2	131·7	128·0	..	..	172·5	*14·9*	171·2	*14·5*	72·8	71·6
3	143·2	139·4	..	..	185·1	*19·9*	184·0	*19·7*	78·4	77·9
4	152·7	147·1	..	..	199·6	*25·4*	197·5	*24·2*	86·2	85·9
1975 *1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	94·9	91·3
2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	97·0	98·3
3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·1	103·6
4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	105·1	107·0
1976 *1*	204·2	201·5	101·0	..	250·8	*19·7*	249·1	*20·1*	107·5	110·5†
2	211·5	209·0	105·2	..	258·7	*17·5*	258·3	*19·2*	108·5	112·1
3	217·8	212·5	107·9	..	265·4	*13·4*	264·5	*14·7*	111·3	115·2
4	219·3	213·1	110·1	..	272·6	*12·3*	271·3	*12·8*	113·5	117·0
1977 *1*	223·3	215·7	111·8	*10·7*	280·0	*11·7*	278·5	*11·8*	116·4	120·2
2	225·9	217·9	114·5	*8·8*	285·3	*10·3*	284·2	*10·0*	117·1	124·1
3	228·7	220·2	116·4	*7·9*	288·3	*8·7*	287·3	*8·6*	119·4	125·6
4	231·2	221·7	119·9	*8·9*	300·4	*10·2*	300·3	*10·7*	122·8	131·3
1978 *1*	237·6	225·8	123·1	*10·1*	310·8	*11·0*	311·5	*11·8*	126·6	136·2
2	260·4	263·6	129·9	*13·5*	328·9	*15·3*	328·4	*15·5*	132·0	139·8
3	265·6†	267·3†	133·2†	*14·4*†	334·6	*16·1*	333·3	*16·0*		
4										
1977 *J*	228·2	219·3	117·0	*8·5*	286·3	*8·9*	285·4	*9·0*	..	125·3†
A	228·8	220·4	115·7	*7·3*	287·7	*8·0*	286·5	*8·1*	..	124·8
S	229·0	220·9	116·6	*7·7*	291·0	*9·1*	290·0	*8·9*	..	126·6
O	229·4	221·1	117·9	*8·7*	295·3	*9·6*	294·6	*9·5*	..	128·9
N	231·2	222·0	120·1	*8·6*	300·5	*10·3*	300·7	*11·4*	..	131·7
D	232·9	222·0	121·7	*9·4*	304·8	*10·6*	305·6	*11·2*	..	133·4
1978 *J*	236·5	225·4	121·5	*9·5*	306·3	*10·2*	307·9	*11·4*	..	135·0
F	237·8	225·7	122·7	*10·5*	311·2	*11·5*	311·6	*12·1*	..	136·0
M	238·6	226·3	125·0	*10·4*	314·8	*11·2*	315·0	*12·0*	..	137·7
A	258·4	261·8	127·2	*12·4*	325·7	*14·8*	327·4	*15·7*	..	139·1
M	259·7	263·5	129·4	*12·6*	327·2	*14·5*	325·9	*14·5*	..	140·0
J	263·3	265·4	133·1	*15·4*	334·0	*16·6*	331·8	*16·4*	..	140·4
J	264·7	265·6	133·6	*14·2*	332·7	*16·2*	331·5	*16·1*	..	140·4
A	266·0†	268·1†	131·7	*13·9*	333·2	*15·8*	331·7	*15·8*	..	141·7
S	266·0	268·2	134·2	*15·0*	338·0	*16·2*	336·6	*16·1*	..	
O	270·0	275·0							..	
N									..	
D									..	

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.

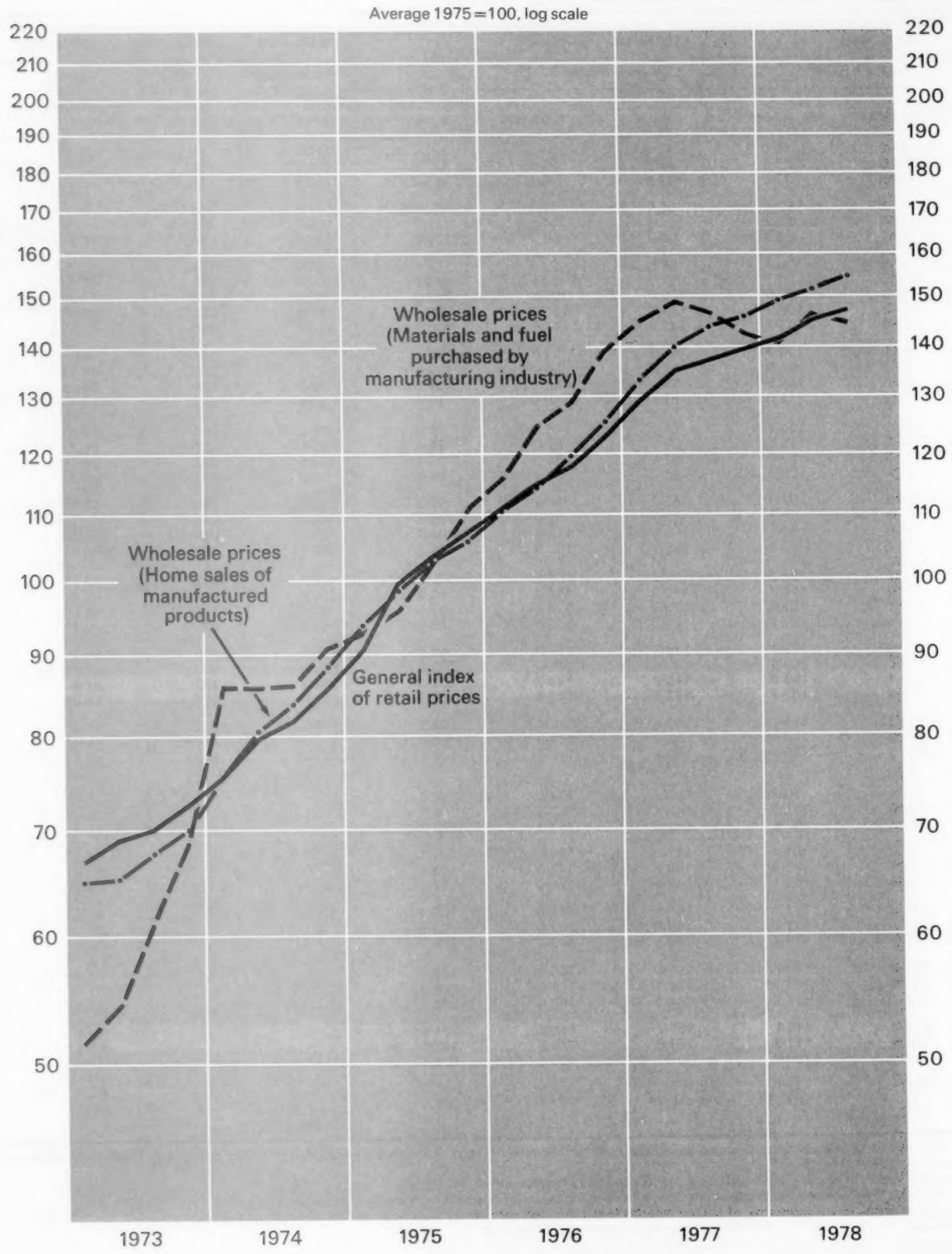


[1] Quarterly average of monthly figures

Prices

	Unadjusted										
	Average 1975=100										Average 1975=100 p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
		Output					All items other than seasonal food				
	Materials and fuel purchased by manufacturing industry[2]	All manufactured products Home sales[3]	All items Index	*Percentage increase on year earlier*	Total food	Total non-food	Index	*Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1967	34·2	46·8	46·2	*2·5*	41·0	48·1	46·7	*2·4*	44·7	44·9	216
1968	37·2	48·7	48·4	*4·7*	42·6	50·5	48·9	*4·8*	46·8	46·9	207
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1973 *1*	51·3	64·7	66·7	*8·0*	63·6	67·8	67·0	*7·3*	65·9	65·9	150
2	54·2	65·0	68·8	*9·3*	66·6	69·6	68·6	*8·1*	67·9	68·2	145
3	61·3	67·2	69·9	*9·2*	67·8	70·6	70·0	*8·5*	68·6	68·9	143
4	68·2	69·9	72·3	*10·3*	71·8	72·4	72·2	*9·2*	71·5	71·7	138
1974 *1*	85·5	75·2	75·2	*12·9*	75·7	75·1	75·2	*12·3*	74·9	75·1	133
2	85·3	80·5	79·7	*15·9*	78·4	80·1	79·6	*16·0*	77·9	78·6	125
3	85·6	83·7	81·7	*17·0*	79·8	82·4	81·9	*17·0*	80·4	80·8	122
4	90·6	88·0	85·4	*18·2*	84·5	85·7	85·5	*18·5*	84·6	84·8	117
1975 *1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·9*	146·3	145·5	71
2	146·3	151·8	145·3	*7·7*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8†	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4											
1977 *J*	147·9	143·2	136·4	*17·6*	144·0	134·1	135·8	*17·0*	..	..	73
A	145·9	143·8	137·0	*16·5*	144·0	135·0	136·9	*16·7*	..	..	73
S	145·6	144·4	137·8	*15·6*	144·4	135·8	137·8	*16·4*	..	..	73
O	143·7	145·3	138·4	*14·1*	144·3	136·7	138·6	*15·0*	..	..	72
N	142·0	145·7	139·0	*13·0*	144·7	137·4	139·3	*14·2*	..	..	72
D	141·0	146·3	139·8	*12·1*	146·1	137·9	139·9	*13·3*	..	..	72
1978 *J*	139·4	148·3	140·6	*9·9*	147·1	138·7	140·8	*11·3*	..	..	71
F	139·1	149·2	141·4	*9·5*	148·0	139·5	141·7	*11·0*	..	..	71
M	142·0	150·0	142·3	*9·1*	148·8	140·4	142·4	*10·4*	..	..	70
A	145·1	150·9	144·4	*7·9*	151·2	142·4	144·3	*9·1*	..	..	69
M	146·8	151·9	145·2	*7·7*	152·4	143·1	145·2	*8·6*	..	..	69
J	147·0	152·7	146·3	*7·4*	155·1	143·8	146·0	*8·1*	..	..	68
J	145·8	153·8	147·0	*7·8*	154·6	144·8	147·1	*8·3*	..	..	68
A	144·2	154·8	147·9	*8·0*	154·7	146·0	148·3	*8·4*	..	..	68
S	144·8	155·7†	148·5	*7·8*	154·8	146·8	149·1	*8·2*	..	..	67
O	145·8[5]†	156·6[5]	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
N	147·2[5]	157·1[5]									
D											

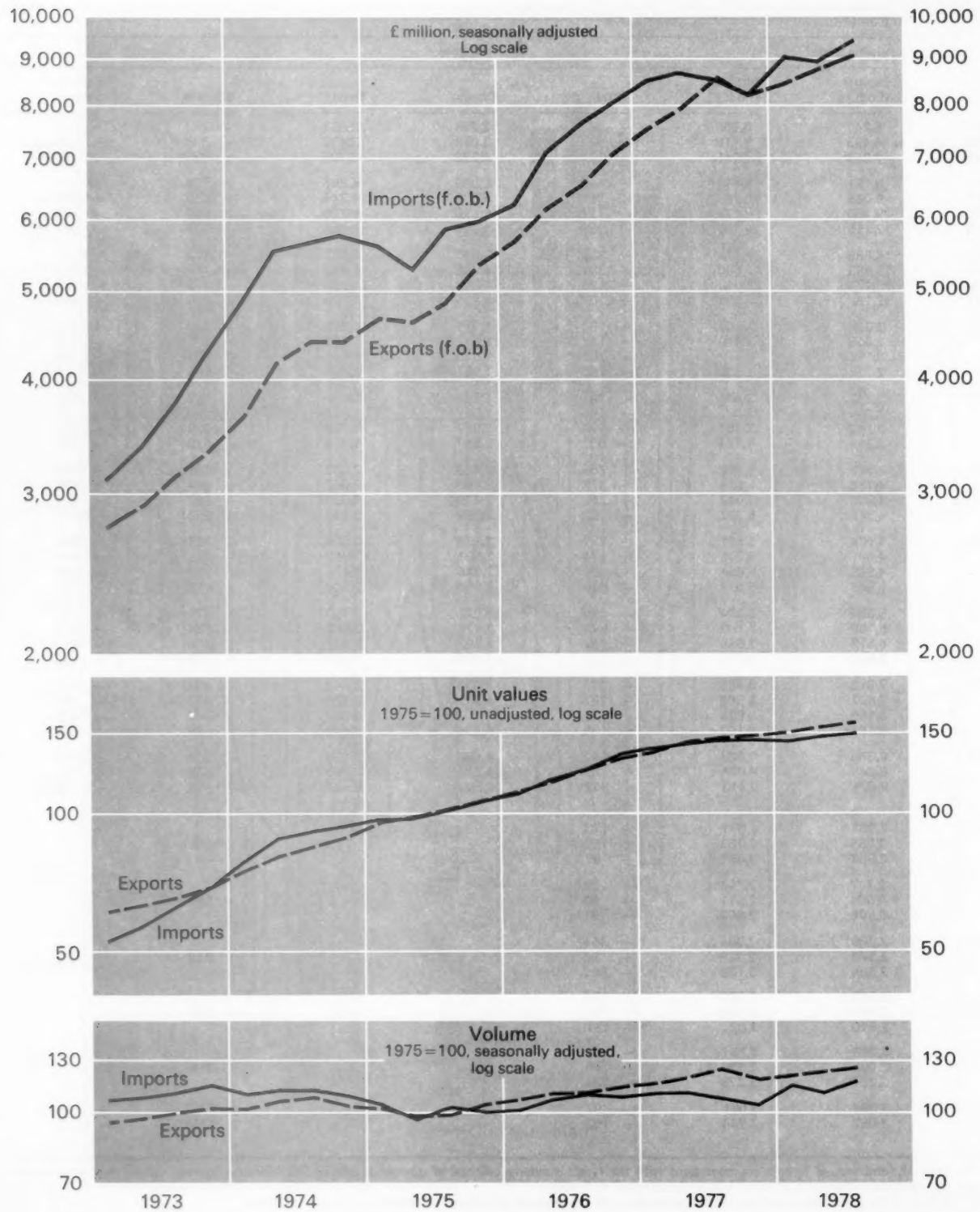
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975=100, log scale
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
Wholesale prices (Materials and fuel purchased by manufacturing industry)
Wholesale prices (Home sales of manufactured products)
General index of retail prices
1973
1974
1975
1976
1977
1978

Visible trade

	Seasonally adjusted		Unadjusted					
	1975=100		1975=100			1975=100	1970=100	December 1971=100
	Volume indices[1]		Unit value indices[1]			Export price competitiveness index[3]	World commodity prices index[4]	Sterling effective exchange rate
	Exports	Imports	Exports	Imports	Terms of trade[2]			
1967	61·6	70·0	42·9	35·0	122·7	110·7	80	..
1968	70·0	77·1	46·3	39·3	117·8	104·1	91	..
1969	76·9	77·8	47·8	40·5	118·2	103·4	96	..
1970	80·1	82·5	51·0	42·3	120·4	104·5	100	..
1971	85·4	85·7	53·9	44·3	121·7	106·7	105	..
1972	85·2	95·3	56·9	46·7	121·8	106·6	116	95·2
1973	97·8	108·7	64·0	59·6	107·4	97·6	168	86·3
1974	104·3	109·7	81·7	87·4	93·5	96·2	295	83·6
1975	100·0	100·0	100·0	100·0	100·0	100·0	300	77·2
1976	109·8	105·7	120·7	121·6	99·3	97·8	385	65·4
1977	118·9	107·1	142·4	141·4	100·7	102·4	434	62·1
1973 *1*	94·1	104·9	60·5	52·0	116·3	101·5†	141	88·8
2	96·2	106·5	62·3	56·0	111·4	101·1	153	89·3
3	99·8	109·5	64·9	62·1	104·5	94·3	174	84·2
4	101·2	114·0	68·1	68·2	99·9	93·4	205	83·0
1974 *1*	101·0	108·2	74·1	78·3	94·6	95·0	298	83·1
2	106·2	111·3	80·3	87·8	91·4	96·6	287	84·7
3	107·6	110·7	84·1	90·4	93·1	96·5	292	84·2
4	102·4	108·5	88·2	92·9	94·9	96·7	303	82·6
1975 *1*	100·9	102·0	95·2	96·4	98·7	99·5	287	81·7
2	97·0	95·7	97·5	97·0	100·5	99·1	284	79·1
3	98·0	102·5	101·6	100·8	100·8	100·3	306	75·2
4	104·1	99·7	105·7	105·7	100·0	101·2	324	73·0
1976 *1*	106·2	100·2	110·7	109·8	100·8	103·2	338	72·0
2	109·7	106·3	116·9	118·4	98·8	96·8	381	65·8
3	110·1	109·0	123·9	124·4	99·6	97·8	395	64·1
4	113·4	107·1	131·3	133·7	98·2	93·3	423	59·6
1977 *1*	115·8	109·4	135·7	137·2	98·9	97·9	440	61·8
2	118·0	109·6	141·4	141·0	100·3	101·6	450	61·6
3	124·4	106·6	145·2	143·7	101·0	103·3	432	61·8
4	117·6	102·7	147·3	143·8	102·4	107·0	412	63·3
1978 *1*	119·5†	114·1	149·5	142·6	104·8	110·0[5]	394	65·4
2	122·0	110·3†	153·7	147·0	104·6		417[5]	61·5
3	125·3	116·1	157·1	149·2†	105·3†		399[6]	62·4
4								
1977 *J*	123·3	110·7	143·8	144·0	99·9	..	..	61·0
A	123·6	101·6	145·7	143·5	101·5	..	..	62·0
S	126·2	107·6	146·0	143·5	101·7	..	..	62·4
O	119·0	101·4	147·0	144·6	101·7	..	..	62·5
N	115·1	98·5	146·8	143·4	102·4	..	..	63·6
D	118·8	108·1	148·0	143·4	103·2	..	..	63·8
1978 *J*	111·2†	114·4	149·5	141·8	105·4	..	..	66·0
F	127·0	111·1	149·0	142·6	104·5	..	..	66·0
M	120·4	116·7	150·1	143·4	104·7	..	..	64·1
A	125·6	104·4	151·5	145·6	104·1	..	..	61·8
M	119·0	114·7†	154·7	146·9	105·3	..	..	61·5
J	121·4	111·8	154·9	148·6	104·2	..	..	61·3
J	126·3	116·1	155·7	148·9†	104·6†	..	..	62·1
A	124·4	111·3	157·3	148·8	105·7	..	..	62·4
S	125·1	120·8	158·3	150·0	105·5	..	..	62·7
O	127·4	111·9	158·8	150·8	105·3	..	..	62·5
N	124·5[5]	120·3[5]	160·7[5]	150·7[5]	106·6[5]	..	..	62·5
D						..	..	

[1] On a balance of payments basis. Changes have been made to the methodology of the index numbers. For further details see *Trade and Industry* of 8 September 1978.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.
[4] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[5] Provisional. [6] Projection by the Department of Industry.


£ million, seasonally adjusted
Log scale
Imports(f.o.b.)
Exports (f.o.b)
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
Unit values
1975=100, unadjusted, log scale
Exports
Imports
150
100
50
Volume
1975=100, seasonally adjusted,
log scale
Imports
Exports
130
100
70
1973
1974
1975
1976
1977
1978

Balance of payments: current account

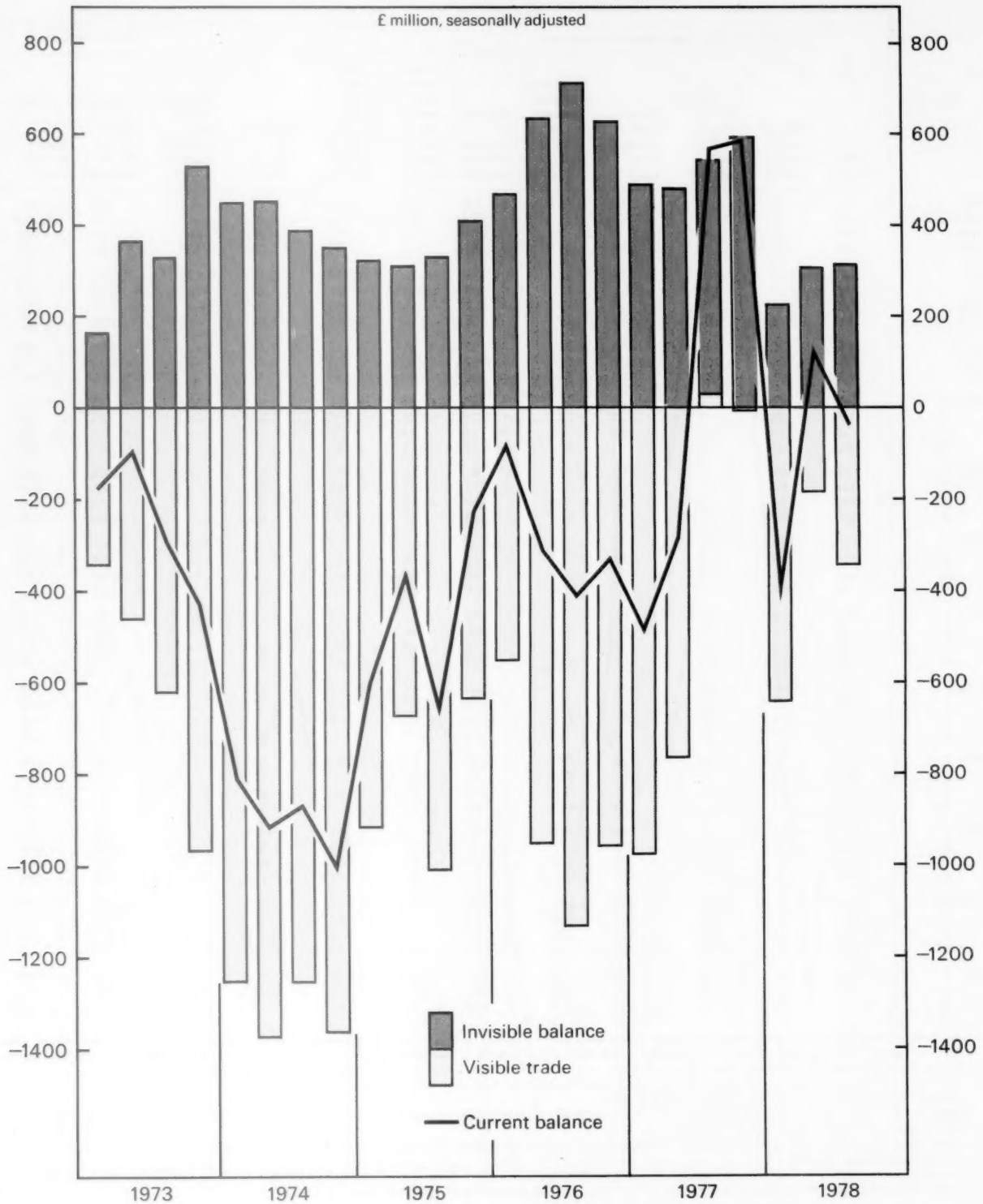
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1967	5,241	5,808	− 567	3,264	2,991	+ 273	− 294
1968	6,433	7,115	− 682	3,813	3,417	+ 396	− 286
1969	7,269	7,441	− 172	4,339	3,704	+ 635	+ 463
1970	8,121	8,163	− 42	5,030	4,257	+ 773	+ 731
1971	9,060	8,799	+ 261	5,573	4,744	+ 829	+1,090
1972	9,450	10,172	− 722	6,135	5,278	+ 857	+ 135
1973	12,115	14,498	−2,383	8,240	6,856	+1,384	− 999
1974	16,538	21,773	−5,235	10,046	8,402	+1,644	−3,591
1975	19,463	22,699	−3,236	11,024	9,643	+1,381	−1,855
1976	25,424	29,013	−3,589	14,354	11,902	+2,452	−1,137
1977	32,182	33,891	−1,709	16,215	14,100	+2,115	+ 406
1972 *1*	2,258	2,361	− 103	1,476	1,254	+ 222	+ 119
2	2,343	2,470	− 127	1,517	1,270	+ 247	+ 120
3	2,115	2,418	− 303	1,555	1,351	+ 204	− 99
4	2,734	2,923	− 189	1,587	1,403	+ 184	− 5
1973 *1*	2,753	3,094	− 341	1,749	1,586	+ 163	− 178
2	2,901	3,361	− 460	2,047	1,684	+ 363	− 97
3	3,147	3,767	− 620	2,057	1,728	+ 329	− 291
4	3,314	4,276	− 962	2,387	1,858	+ 529	− 433
1974 *1*	3,618	4,868	−1,250	2,483	2,032	+ 451	− 799
2	4,152	5,524	−1,372	2,496	2,042	+ 454	− 918
3	4,393	5,644	−1,251	2,479	2,092	+ 387	− 864
4	4,375	5,737	−1,362	2,588	2,236	+ 352	−1,010
1975 *1*	4,674	5,591	− 917	2,628	2,305	+ 323	− 594
2	4,601	5,275	− 674	2,693	2,380	+ 313	− 361
3	4,845	5,854	−1,009	2,748	2,415	+ 333	− 676
4	5,343	5,979	− 636	2,955	2,543	+ 412	− 224
1976 *1*	5,654	6,204	− 550	3,221	2,750	+ 471	− 79
2	6,160	7,109	− 949	3,476	2,842	+ 634	− 315
3	6,513	7,645	−1,132	3,742	3,027	+ 715	− 417
4	7,097	8,055	− 958	3,915	3,283	+ 632	− 326
1977 *1*	7,512	8,485	− 973	3,935	3,442	+ 493	− 480
2	7,927	8 689	− 762	3,971	3,489	+ 482	− 280
3	8,556	8 525	+ 31	4,103	3,559	+ 544	+ 575
4	8,187	8,192	− 5	4,206	3,610	+ 596	+ 591
1978 *1*	8,380	9,022	− 642	4,158	3,929	+ 229	− 413
2	8,743	8,925	− 182	4,273	3,965	+ 308	+ 126
3	9,071	9,413	− 342	4,503	4,187	+ 316	− 26
4							
1977 *J*	2,798	2,971	− 173	..	..		..
A	2,855	2,703	+ 152	..	..	+ 544†	..
S	2,903	2,851	+ 52	..	..		..
O	2,747	2,714	+ 33	..	..		..
N	2,664	2,611	+ 53	..	..	+ 596	..
D	2,776	2,867	− 91	..	..		..
1978 *J*	2,600†	2,964	− 364†	..	..		..
F	2,975	2,949	+ 26	..	..	+ 229	..
M	2,805	3,109	− 304	..	..		..
A	2,983	2,809	+ 174	..	..		..
M	2,850	3,095†	− 245	..	..	+ 308	..
J	2,910	3,021	− 111	..	..		..
J	3,029	3,181	− 152	..	..		..
A	3,005	2,959	+ 46	..	..	+ 316	..
S	3,037	3,273	− 236	..	..		..
O	3,098	3,001	+ 97	..	..	+ 120[2]	+ 217†
N	3,052	3,244	− 192	..	..	+ 120[2]	− 72
D				..	..		

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
−200
−400
−600
−800
−1000
−1200
−1400
Invisible balance
Visible trade
Current balance
1973
1974
1975
1976
1977
1978

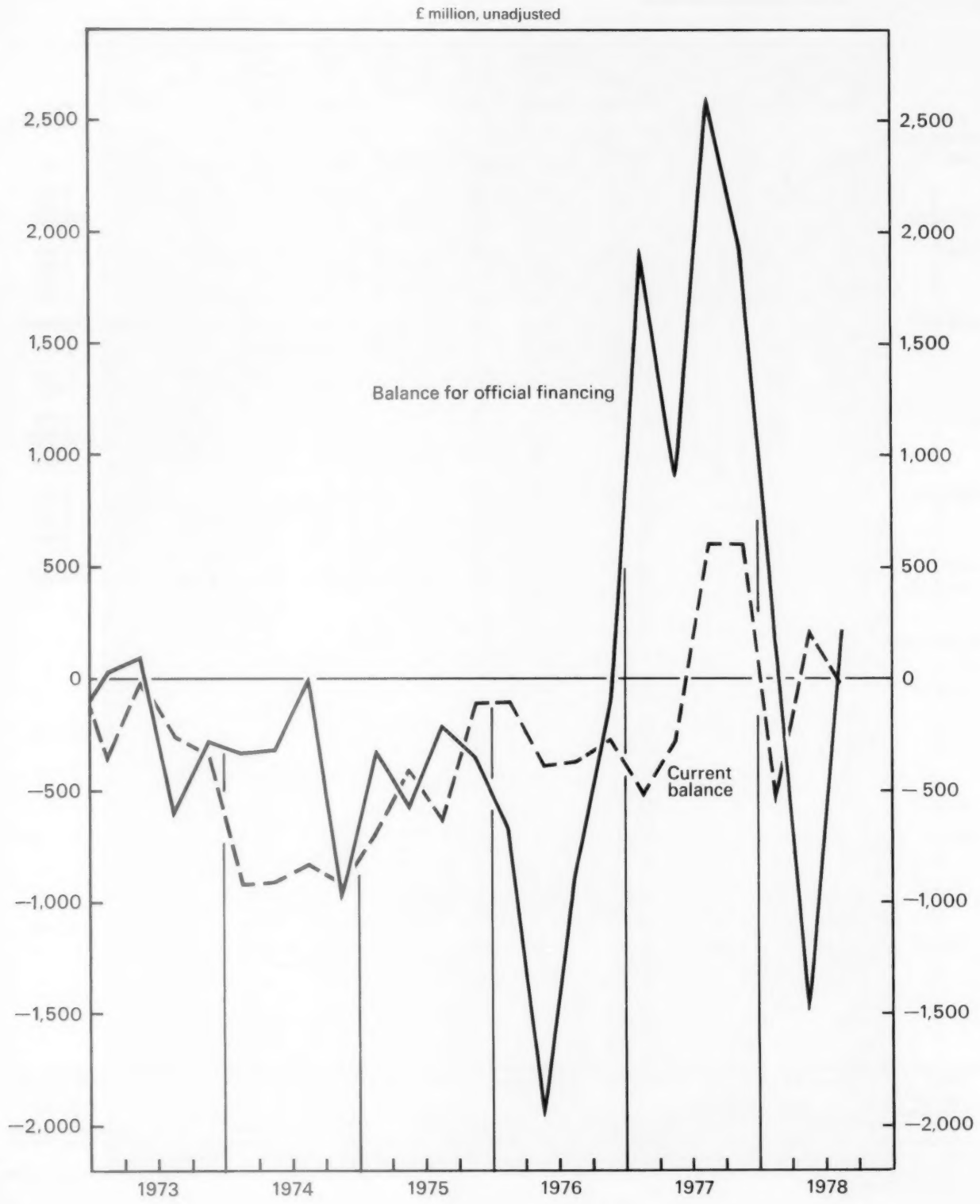
Analysis of capital transactions and official financing [1]

£ million

Not seasonally adjusted

		Investment and other capital transactions									Official financing	
		Current balance	Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term transactions	Balancing item and other capital transactions [4]	Balance for official financing [5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/additions to (−) official reserves [6]	Other transactions (net) [7]
1967		− 294	− 59	+ 54	− 96	+ 36	− 286	−146	+120	− 671	—	+ 115	+ 556
1968		− 286	+ 16	+ 16	− 160	− 15	− 308	−305	−368	−1,410	—	+ 114	+1,296
1969		+ 463	− 99	− 56	− 6	− 38	+ 261	−227	+389	+ 687	—	− 44	− 643
1970		+ 731	−205	− 10	+ 56	+472	+ 459	−195	− 21	+1,287	+133	− 125	−1,295
1971		+1,090	−274	+107	+ 211	+471	+1,422	−128	+247	+3,146	+125	−1,536	−1,735
1972		+ 135	−255	+120	− 588	+471	+ 196	−613	−731	−1,265	+124	+ 692	+ 449
1973		− 999	−254	+175	− 90	+525	+ 154	−345	+ 63	− 771	—	− 228	+ 999
1974		−3,591	−276	+252	+1,169	−294	+1,558	−712	+248	−1,646	—	− 105	+1,751
1975		−1,855	−288	+ 43	+ 416	+235	− 67	− 61	+112	−1,465	—	+ 655	+ 810
1976		−1,137	−158	+203	− 95	−106	−1,152	−1,588	+404	−3,629	—	+ 853	+2,776
1977		+ 406	−291	+2,182	+ 743	+384	+1,452	− 54	+2,539	+7,361	—	−9,588	+2,227
1970	*1*	+ 235	− 48	+ 3	+ 37	+125	+ 283	+ 66	+214	+ 915	+171	− 76	−1,010
	2	+ 166	− 38	− 3	+ 123	+123	+ 158	−136	−166	+ 227	—	− 34	− 193
	3	+ 88	− 20	− 23	− 83	− 24	+ 3	− 14	−129	− 202	—	+ 52	+ 150
	4	+ 242	− 99	+ 13	− 21	+248	+ 15	−111	+ 60	+ 347	− 38	− 67	− 242
1971	*1*	+ 66	− 46	+ 70	+ 115	+ 84	+ 285	+ 70	+278	+ 922	+125	− 204	− 843
	2	+ 347	− 44	+ 7	+ 55	+148	+ 277	− 98	− 89	+ 603	—	− 126	− 477
	3	+ 382	− 34	+ 5	+ 54	+ 28	+ 337	+ 88	−192	+ 668	—	− 576	− 92
	4	+ 295	−150	+ 25	− 13	+211	+ 523	−188	+250	+ 953	—	− 630	− 323
1972	*1*	− 20	− 42	+ 65	− 190	+114	+ 211	−165	+ 84	+ 57	+124	− 191	+ 10
	2	+ 238	− 39	+ 22	− 175	−132	− 138	−375	−446	−1,045	—	+ 46	+ 999
	3	− 137	− 17	+ 24	− 68	+199	− 92	− 48	+ 60	− 79	—	+ 639	− 560
	4	+ 54	−157	+ 9	− 155	+290	+ 215	− 25	−429	− 198	—	+ 198	—
1973	*1*	− 370	− 55	+ 44	+ 10	+ 1	+ 170	− 57	+284	+ 27	—	− 72	+ 45
	2	− 27	− 31	+ 20	+ 54	+152	+ 166	+ 39	−274	+ 99	—	− 380	+ 281
	3	− 256	− 27	+ 21	− 27	+ 36	− 415	−190	+240	− 618	—	+ 254	+ 364
	4	− 346	−141	+ 90	− 127	+336	+ 233	−137	−187	− 279	—	− 30	+ 309
1974	*1*	− 925	− 52	+ 32	+ 574	− 61	+ 179	−144	+ 58	− 339	—	+ 33	+ 306
	2	− 910	− 42	+107	+ 307	+ 56	+ 386	−105	−118	− 319	—	− 116	+ 435
	3	− 839	− 15	+ 30	+ 367	−346	+ 616	−121	+308	—	—	− 189	+ 189
	4	− 917	−167	+ 83	− 79	+ 57	+ 377	−342	—	− 988	—	+ 167	+ 821
1975	*1*	− 700	− 73	+ 66	− 16	− 80	+ 247	− 33	+263	− 326	—	− 142	+ 468
	2	− 408	− 39	—	− 315	+772	− 17	−262	−303	− 572	—	+ 410	+ 162
	3	− 635	− 26	− 52	+ 571	− 15	− 379	+180	+143	− 213	—	+ 170	+ 43
	4	− 112	−150	+ 29	+ 176	−442	+ 82	+ 54	+ 9	− 354	—	+ 217	+ 137
1976	*1*	− 106	− 37	+ 9	+ 168	+ 94	− 75	−678	− 53	− 678	—	− 178	+ 856
	2	− 388	− 26	+ 13	− 155	− 86	− 932	−591	+209	−1,956	—	+ 354	+1,602
	3	− 368	− 10	+ 58	− 56	−272	− 137	−227	+150	− 862	—	+ 61	+ 801
	4	− 275	− 85	+123	− 52	+158	− 8	− 92	+ 98	− 133	—	+ 616	− 483
1977	*1*	− 518†	− 25	+498	+ 358†	+421	+ 389	+ 82	+708†	+1,913	—	−3,197	+1,284
	2	− 280	− 20	+921	+ 21	−706	− 48	− 46	+1,066	+ 908	—	−1,158	+ 250
	3	+ 602	− 17	+289	+ 334	+189	+ 397	—	+814	+2,608	—	−3,227	+ 619
	4	+ 602	−229	+474	+ 30	+480	+ 714	− 90	− 49	+1,932	—	−2,006	+ 74
1978	*1*	− 554	− 57	− 3	+ 338	+115	+ 101	−402†	+635	+ 173	—	+ 46	− 219
	2	+ 213	− 14†	− 15	− 47	−955†	− 387	−361	+ 72	−1,494	—	+2,026	− 532
	3	− 3	− 17	− 14†	− 353	+328	+ 164†	− 36	−141	+ 210†	—	− 54†	− 156†
	4												

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding public sector borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at market-related rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public sector under the exchange cover scheme; in 1966 and 1967 includes the transfer from dollar portfolio to reserves.


£ million, unadjusted
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Balance for official financing
Current balance
1973
1974
1975
1976
1977
1978

Money stock

£ million: amounts outstanding

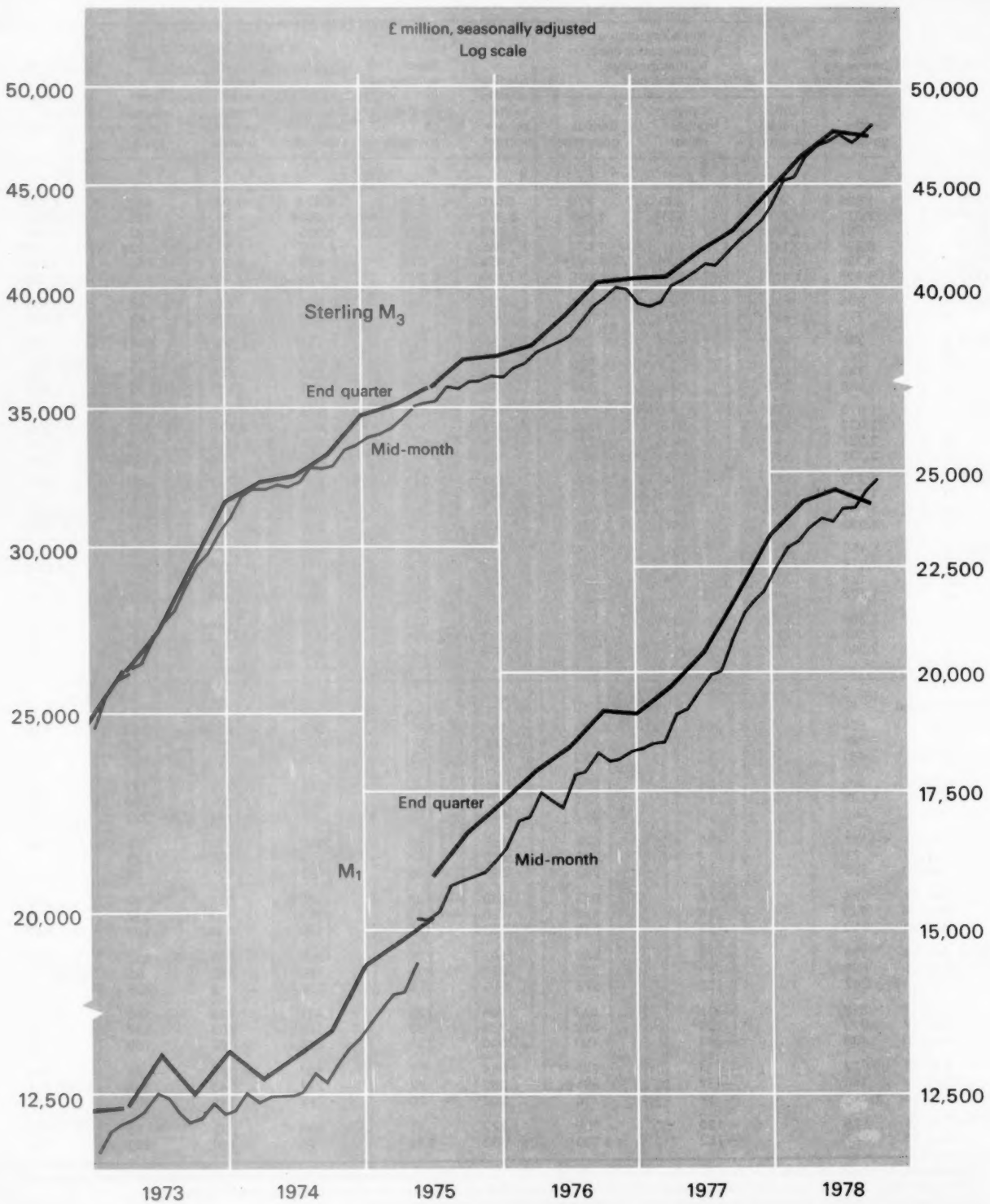
	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted $	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1973 *1*[2]	12,330†	+ 11	*+0·1*	26,330	1,447	*+5·8*	27,330	1,644	*+6·4*	5·853	2·819	2·721
	12,330			26,240			27,340					
2	13,120	789	*+6·4*	27,650†	1,416	*+5·4*	28,720†	1,389	*+5·1*	5·669	2·678	2·577
3	12,750	−360	*−2·7*	29,730	2,095	*+7·6*	31,050	2,343	*+8·2*	5·814	2·612	2·507
4	13,120	373	*+2·9*	31,610	1,904	*+6·4*	33,040	2,016	*+6·5*	5·957	2·499	2·392
1974 *1*	12,750	−361	*−2·8*	32,450	870	*+2·8*	34,220	1,211	*+3·7*	5·836	2·357	2·245
2	13,100	346	*+2·7*	32,680	240	*+0·7*	34,860	647	*+1·9*	6·280	2·497	2·354
3	13,530	432	*+3·3*	33,520	843	*+2·6*	36,020	1,163	*+3·3*	6·571	2·644	2·469
4	14,550	1,020	*+7·5*	34,840	1,302	*+3·9*	37,230	1,200	*+3·3*	6·396	2·623	2·448
1975 *1*	14,830	268	*+1·8*	35,210	337	*+1·0*	37,730	458	*+1·2*	6·405	2·688	2·512
2[3]	15,170	326	*+2·2*	35,730	506	*+1·4*	38,080	338	*+0·9*	6·673	2·860	2·677
	15,900			35,710			38,070					
3	16,730	830	*+5·2*	36,900	1,187	*+3·3*	39,700	1,625	*+4·3*	6·564	2·911	2·719
4[4]	17,340	593	*+3·5*	37,200	296	*+0·8*	40,170	476	*+1·2*	6·576	3·017	2·800
1976 *1*	17,920	555	*+3·2*	37,670	445	*+1·2*	40,820	619	*+1·5*	6·645	3·130	2·894
2	18,310	386	*+2·2*	38,650	971	*+2·6*	42,220	1,386	*+3·4*	6·649	3·157	2·902
3	19,190	879	*+4·8*	40,300	1,658	*+4·3*	44,330	2,126	*+5·0*	6·706	3·180	2·902
4	19,150	− 32	*−0·2*	40,570	294	*+0·7*	44,540	229	*+0·5*	6·842	3·239	2·948
1977 *1*	19,750	596	*+3·1*	40,800	256	*+0·6*	45,080	566	*+1·3*	6·780	3·246	2·947
2	20,470	726	*+3·7*	41,900	1,097	*+2·7*	46,570	1,485	*+3·3*	6·854	3·339	3·013
3	21,820	1,345	*+6·6*	42,710	807	*+1·9*	47,130	555	*+1·2*	6·859	3·425	3·094
4[5]	23,330	1,510	*+6·9*	44,660	1,956	*+4·6*	48,940	1,814	*+3·8*	6·578	3·397	3·090
1978 *1*	24,250	927	*+4·0*	46,700	2,036	*+4·6*	51,220	2,281	*+4·7*	6·419	3·351	3·057
2	24,620	366	*+1·5*	48,010	1,314	*+2·8*	53,230	2,015	*+3·9*	6·470	3·348	3·037
3	25,790	1,172	*+4·8*	49,170	1,174	*+2·4*	54,110	893	*+1·7*			
4												
At mid-month												
1977 *A*	19,200	640	*+3·4*	40,330	795	*+2·0*	44,530	1,159	*+2·7*	..	..	..
M	19,350	161	*+0·8*	40,660	353	*+0·9*	44,920	412	*+0·9*	..	..	..
J	19,640	295	*+1·5*	40,960	309	*+0·8*	45,190	280	*+0·6*	..	..	..
J	20,050	426	*+2·2*	41,320	358	*+0·9*	45,470	290	*+0·6*	..	..	..
A	20,100	59	*+0·3*	41,290	− 1	—	45,450	3	—	..	..	..
S	20,890	817	*+4·1*	41,990	730	*+1·8*	46,200	782	*+1·7*	..	..	..
O	21,470	594	*+2·8*	42,550	595	*+1·4*	46,530	358	*+0·8*	..	..	..
N	21,780	325	*+1·5*	42,840	296	*+0·7*	46,560	42	*+0·1*	..	..	..
D	22,010	233	*+1·1*	43,280	442	*+1·0*	47,080	518†	*+1·1*	..	..	..
1978 *J*[5]	22,620	617	*+2·8*	44,310	1,036	*+2·4*	48,000	890	*+1·9*	..	..	..
F	23,100	475	*+2·1*	45,360	1,047	*+2·4*	49,140	1,131	*+2·4*†	..	..	..
M	23,240	142	*+0·6*	45,660	292	*+0·6*	49,740†	598	*+1·2*	..	..	..
A	23,610	369	*+1·6*	46,810	1,152	*+2·5*	51,450	1,717	*+3·5*	..	..	..
M	23,820	213	*+0·9*	47,210	403	*+0·9*	52,210	762	*+1·5*	..	..	..
J	23,720	−94	*−0·4*	47,360	148	*+0·3*	52,430	218	*+0·4*	..	..	..
J	24,130	409	*+1·7*	47,870	514	*+1·1*	52,770	341	*+0·7*	..	..	..
A	24,150	15	*+0·1*	47,400	− 481	*−1·0*	51,880	−897	*−1·7*	..	..	..
S	24,660	510	*+2·1*	47,980	570	*+1·2*	52,510	619	*+1·2*	..	..	..
O	24,920	251	*+1·0*	48,510	520	*+1·1*	53,160	636	*+1·2*	..	..	..
N	24,860	− 61	*−0·2*	48,610	103	*+0·2*	53,490	340	*+0·6*	..	..	..
D										..	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] The break in the series at end-March 1973 shows the effect of a change in contributors.

[3] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [4] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[5] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: the effect of this has been excluded from the change in M_3.


£ million, seasonally adjusted
Log scale
50,000
45,000
40,000
35,000
30,000
25,000
20,000
12,500
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
25,000
22,500
20,000
17,500
15,000
12,500
1973
1974
1975
1976
1977
1978

Domestic credit expansion and money stock

Seasonally adjusted[1]

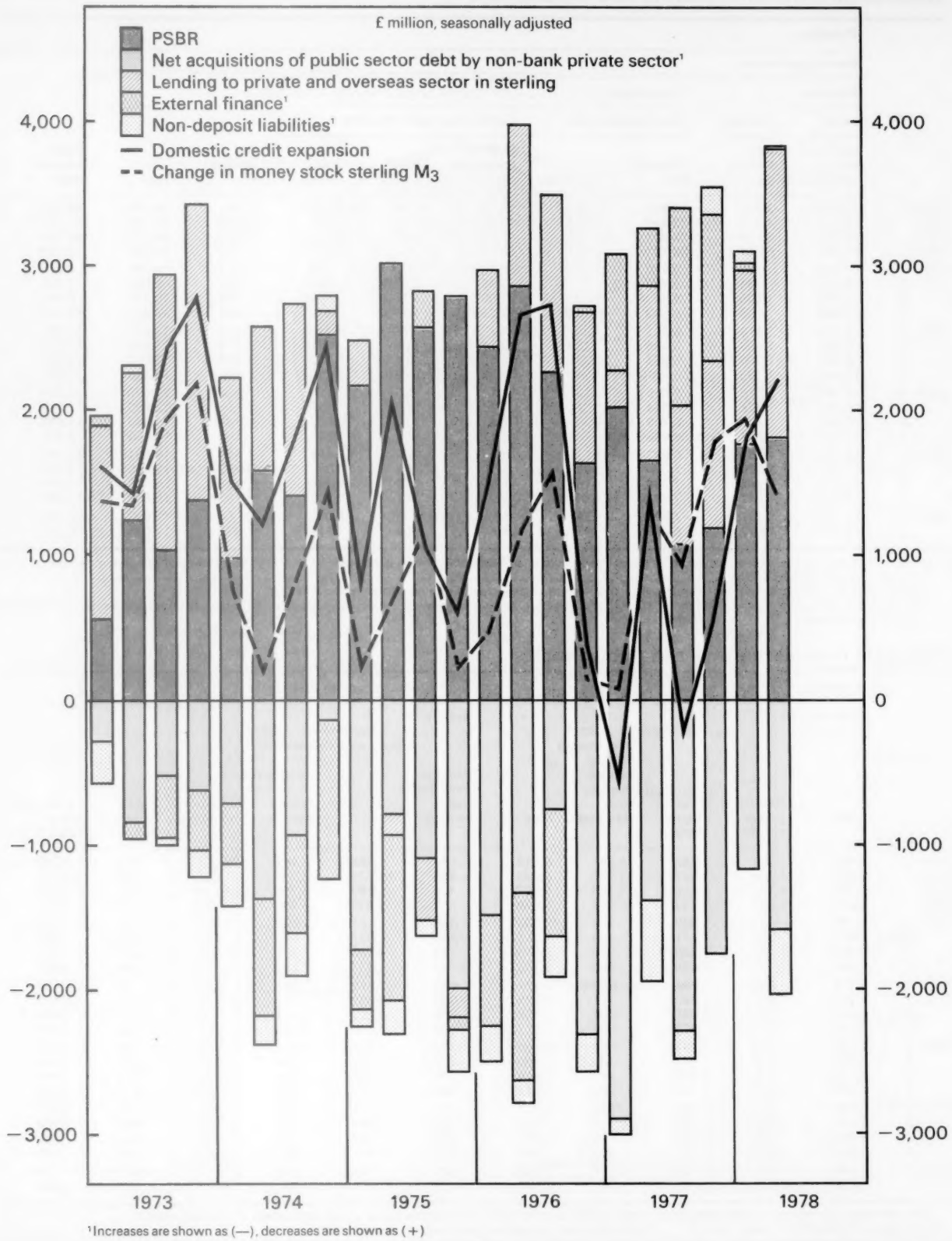
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector		Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government	Other public sector	Other public sector	Central government						
	1	2	3	4	5	6	7	8	9	10
1972	1,596	438	230	776	5,510	136	6,674	1,095	652	4,927
1973	2,321	1,874	891†	1,401	5,972	189	8,064†	877†	485	6,702
1974	3,491	2,881†	2,309	852	3,435	289	6,935	2,998	682	3,255
1975	8,376	2,145	257	5,346	− 385†	− 65	4,468	1,337	802†	2,326†
1976	6,786	2,401	409	5,456†	3,454	648†	7,424	2,807	1,052	3,565
1977	4,465	1,461	494	7,801	3,190	405	1,226	−3,553	650	4,132
1973 *3*	205	830	186	348	739	168	2,408	429	43	1,936
4	717	657	231	392	1,997	55	2,803	405	192	2,206
1974 *1*	381†	560†	575†	124†	1,185†	105†	1,532†	397†	265†	870†
2	789	899	686	642	885	45	1,290	848	202	240
3	783	659	455	480	1,302	21	1,830	634	353	843
4	1,538	763	593	− 394	63	118	2,283	1,119	− 138	1,302
1975 *1*	1,379	828	27	1,677	499	−124	878	409	132	337
2	2,072	685	198	556	− 294	148	1,857	1,176	175	506
3	2,527	44	− 123	1,235	− 428	− 7	1,024	− 312	149	1,187
4	2,398	588	155	1,878	− 162	− 82	709	64	346	296
1976 *1*	1,778	463	4	1,455	329	347	1,458	781	232	445
2	1,923	719	167	1,106	799	265	2,433	1,321	140	971
3	1,855	495	137	651	1,019	202	2,783	727	399	1,658
4	1,230	724	101	2,244	1,110	−166	553	− 22	281	294
1977 *1*	1,450	567	491	2,391	471	− 86	− 480	− 767	32	256
2	1,318	209	157	1,179	966	180	1.337	− 321	562	1,097
3	119	701	− 4	2,347	827	160	− 536	−1,536	194	807
4	1,578	−16	− 150	1,884	910	151	889	− 929	− 138	1,956
1978 *1*	1,361	203	− 120	1,298	773	621	1,780	− 157	− 99	2,036
2	2,363	−480	− 443	1,994	1,647	292	2,271	470	487	1,314
3	2,043	33	382	1,517	1,156	27	1,360	− 1	187	1,174
4										
Month ended										
1977 Jan.	524		214	1,729	183	−146	− 954	− 337	− 142	− 475
Feb.	396		− 72	651	−244	− 86	− 657	− 385	− 101	− 171
March	481		2	392	180	52	323	15	180	128
April	800		84	200	30	—	714	− 218	137	795
May	1,162		−218	861	331	− 8	406	− 107	160	353
June	560		− 1	317	443	111	796	164	323	309
July 20	−491		466	678	195	55	− 453	− 877	66	358
Aug. 17	− 11		217	900	425	107	− 162	− 289	128	− 1
Sept. 21	−305		528	683	395	− 28	− 93	− 851	28	730
Oct. 19	556		− 69	873	439	129	182	− 383	− 30	595
Nov. 16	539		36	488	226	42	355	− 173	232	296
Dec. 14	252		47	538	308	121	190	− 144	−108	442
1978 Jan. 18	785		−123	692	192	91	253	− 381	−402	1,036
Feb. 15	599		− 29	203	287	306	960	− 152	65	1,047
March 15	267		129	572	560	214	598	− 3	309	292
April 19	998		318	267	259	123	1,431	439	−160	1,152
May 17	1,073		−223	512	739	36	1,113	603	107	403
June 21	489		343	1,193	540	135	314	57	109	148
July 19	223		− 84	572	554	− 17	104	− 385	− 25	514
Aug. 16	256†		−432	395†	262	17	− 292	43	146	− 481
Sept. 20	1,219		37	725	202	− 20	713	− 149	292	570
Oct. 18	526		−120	209	327	11	535	33	− 18	520
Nov. 15	847		−152	790	360	−159	106	−168	171	103

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.



[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1974	29,878	3,705	16,564	4,452	11,191	1,092	3,608	2,201	39,108	36,052
1975	38,371	4,473	22,930	5,064	14,402	1,194	4,210	3,695	51,495	47,541
1976	44,557	5,339	26,611	5,492	17,027	1,419	5,456	2,378	58,383	53,886
1977	51,095	6,061	29,121	4,941	19,560	1,552	6,537	253	61,964	56,763
1974 *1*	7,582	941	3,750	1,335	2,583	282	993	318	9,261	8,559
2	6,836	794	3,792	820	2,464	255	660	433	8,424	7,719
3	7,564	1,005	4,280	1,161	2,909	273	1,046	908	10,577	9,652
4	7,896	965	4,742	1,136	3,235	282	909	542	10,846	10,122
1975 *1*	9,710	1,115	5,461	1,357	3,333	376	1,138	1,190	12,855	11,827
2	8,801	1,043	5,435	1,130	3,581	201	798	779	11,924	11,046
3	9,716	1,206	5,853	1,208	3,626	297	1,242	865	13,091	12,001
4	10,144	1,109	6,181	1,369	3,862	320	1,032	861	13,625	12,667
1976 *1*	11,346	1,378	6,406	1,693	4,115	385	1,537	934	15,070	13,784
2	10,624	1,233	6,594	1,210	4,250	307	1,013	506	13,880	12,918
3	10,856	1,423	6,709	1,301	4,224	322	1,639	748	14,943	13,693
4	11,731	1,305	6,902	1,288	4,438	405	1,267	190	14,490	13,491
1977 *1*	13,273	1,561	6,992	1,571	4,732	506	1 863	437	16 101	14,702
2	12,180	1,410	7,224	1,015	4,853	355	1,337	−179	14,605	13,540
3	12,716	1,743	7,384	1,169	4,876	330	1,799	88	15,646	14,015
4	12,926	1,347	7,521	1,186	5,099	361	1,538	−93	15,612	14,506
1978 *1*	14,739	1,731	7,979	1,394	5,639	706	2,059	65	17,842	16,180
2	13,210	1,553	8,058	972	5,647	408	1,514	436	17,035	15,715

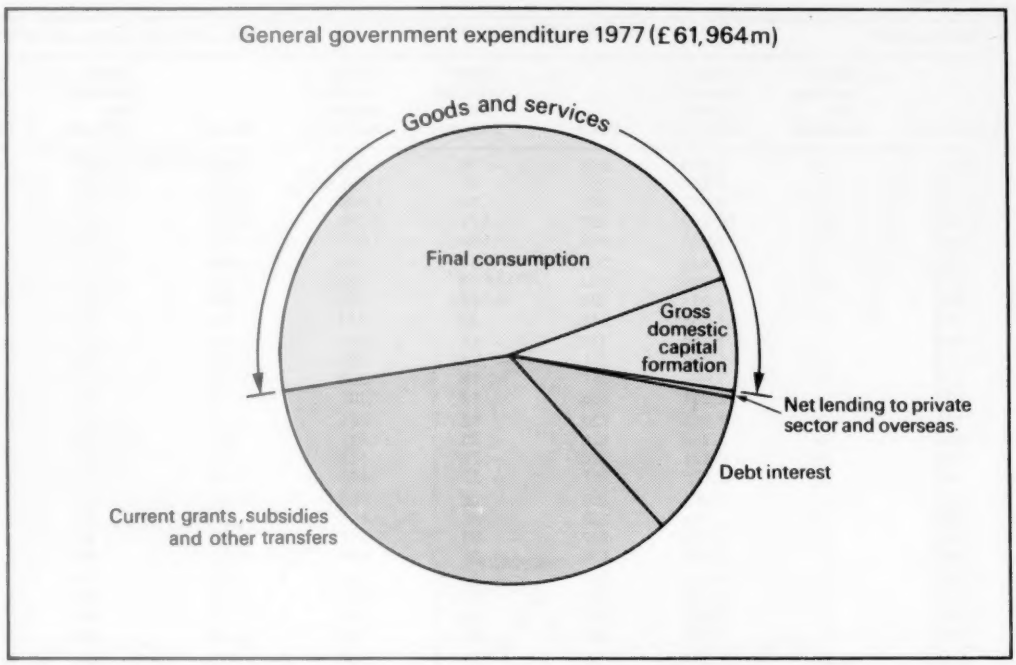
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7049). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

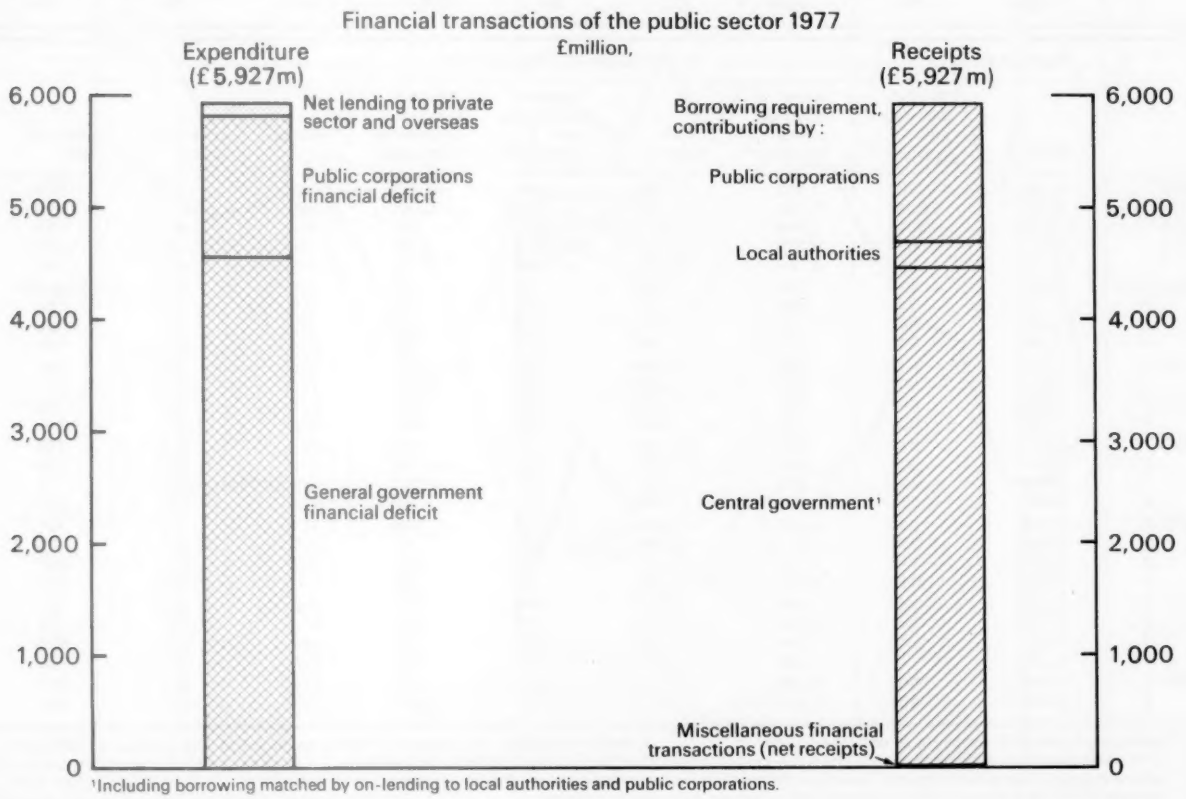
Financial transactions of the public sector

£ million

	Financial deficit[1]					Receipts					
						Borrowing requirement					
				Net lending etc., to private sector and overseas[3]		Financial transactions (net receipts)		Contributions by:			
	Total	General government[2]	Public corporations		Total		Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5§]
1974	4 907	3,324	1,583	1,641	6,548	180	6,368	3,491	2,124	753	6,368
1975	7,893	4,956	2,937	1,746	9,639	−886	10,525	8,376	1,653	496	10,525
1976	8,357	6,109	2,248	1,269	9,626	439	9,187	6,786	1,130	1,271	9,187
1977	5,807	4,555	1,252	121	5,928	1	5,927	4,465	230	1,232	5.927
1974 *1*	759	420	339	246	1,005	1,066	−61	−609	452	96	942
2	632	361	271	379	1,011	−866	1,877	985	780	112	1,684
3	1,669	1,100	569	650	2,319	724	1,595	858	452	285	1,441
4	1,847	1,443	404	366	2,213	−744	2,957	2,257	440	260	2,301
1975 *1*	1,774	840	934	400	2,174	652	1,522	987	527	8	2,206
2	1,881	1,301	580	311	2,192	−905	3,097	2,356	612	129	2,757
3	2,325	1,304	1,021	431	2,756	265	2,491	2,288	210	−7	2,571
4	1,913	1,511	402	604	2,517	−898	3,415	2,745	304	366	2,991
1976 *1*	2,156	1,412	744	350	2,506	873	1,633	1,414	196	23	2,242
2	2,060	1,517	543	430	2,490	−472	2,962	2,204	281	477	2,641
3	2,728	1,916	812	287	3,015	720	2,295	1,655	287	353	2,349
4	1,413	1,264	149	202	1,615	−682	2,297	1,513	366	418	1,955
1977 *1*	1,065	830	235	312	1,377	355	1,022	572	472	−22	2,017
2	1,430	1,194	236	2	1,432	−525	1,957	1,738	−230	449	1,528
3	1,858	1,099	759	14	1,872	835	1,037	274	281	482	820
4	1,454	1,432	22	−207	1,247	−664	1,911	1,881	−293	323	1,562
1978 *1*	1,409	1,307	102	−124	1,285	661	625†	538	714	−627†	1,564†
2	1,879	1,836	43	246	2,125	−43	2,209	2,658†	−117†	−332	1,884

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2. [3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations. [5] Calendar year constrained.


General government expenditure 1977 (£61,964m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,217	— 5	5,918	882	— 76	1,303	7,008	347	8,693
1974	2,760	— 17	7,650	784	— 66	1,458	7,315	332	12,154
1975	2,154	— 85	9,962	663	— 16	1,698	8,016	405	9,106
1976	2,781	—166	10,972	1,336	—129	2,036	11,476	358	13,131
1977	4,310	—189	9,928	1,242	—150	2,377	11,906	258	14,565
1973 *1*	759	— 14	1,444	260	— 17	270	1,560	79	1,922
2	773	— 24	1,399	182	— 9	323	1,690	85	1,944
3	941	—	1,513	198	— 18	336	1,866	101	2,295
4	744	33	1,562	242	— 32	374	1,892	82	2,532
1974 *1*	379	14	1,719	236	— 14	374	1,906	82	2,897
2	1,125	— 22	1,738	201	— 17	361	1,899	90	3,344
3	879	— 20	1,989	111	— 18	342	1,731	77	3,159
4	377	11	2,204	236	— 17	381	1,779	83	2,754
1975 *1*	225	— 65	2,393	120	62	361	1,873	94	2,175
2	694	34	2,376	136	— 28	412	1,892	84	2,172
3	549	— 25	2,471	190	— 27	479	1,951	116	2,424
4	686	— 29	2,722	217	— 23	446	2,300	111	2,335
1976 *1*	479	— 12	2,803	255	— 26	457	2,250	91	2,684
2	888	— 35	2,749	198	— 35	496	2,876	97	3,025
3	428	— 34	2,737	407	— 34	543	2,993	82	3,498
4	986	— 85	2,683	476	— 34	540	3,357	88	3,924
1977 *1*	1,098	— 70	2,635	383	— 33	513	3,061	75	4,007
2	1,279	— 74	2,319	309	— 39	506	3,052	87	3,971
3	1,314	— 35	2,522	353	— 40	702	3,088	47	3,225
4	619	— 10	2,452	197	— 38	656	2,705	49	3,362
1978 *1*	692	—264	2,301	165	51	836	2,970	158	3,673
2	730	—155	2,188	302	— 38	803	2,901	107	4,415

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	6,116	—325	2,953	—2,706	— 497	—1,338	2,838	999†	604†
1974	8,751	—324	3,144	—4,907	— 740	—4,507	5,283	3,591	1,272
1975	11,169	—304	3,646	—7,893	—1,051	— 685	7,219	1,855	555
1976	12,617	— 63	4,520	—8,357	— 829	—1,297	8,034	1,137	1,312
1977	13,782	81	5,164	—5,807	—1,285	—2,401	8,699	—406	1,200
1973 *1*	1,057	— 86	706	— 699	— 27	— 283	265	178†	466†
2	1,721	— 71	692	— 650	— 150	— 169	958	97	— 86
3	1,594	— 84	778	— 572	— 156	— 328	732	291	33
4	1,744	— 84	777	— 785	— 164	— 558	883	433	191
1974 *1*	1,912	— 82	825	—1,326	— 152	— 909	1,005	799	583
2	1,821	— 80	823	— 635	— 177	—1,355	918	918	331
3	2,323	— 79	740	—1,130	— 249	—1,351	1,504	864	362
4	2,695	— 83	756	—1,816	— 162	— 892	1,856	1,010	— 4
1975 *1*	2,811	— 91	832	—2,233	— 179	— 208	1,888	594	138
2	2,541	— 90	890	—1,648	— 304	— 196	1,561	361	226
3	2,925	— 64	935	—1,947	— 316	— 357	1,926	676	18
4	2,892	— 59	989	—2,065	— 252	76	1,844	224	173
1976 *1*	3,214	— 53	1,034	—2,336	— 228	— 343	2,127	79	701
2	3,005	— 27	1,058	—1,896	— 333	— 52	1,920	315	46
3	3,508	— 14	1,177	—2,343	— 170	— 423	2,317	417	202
4	2,890	31	1,251	—1,782	— 98	— 479	1,670	326	363
1977 *1*	3,257	28	1,291	—1,607	— 163	— 871	1,994	480	167
2	3,243	26	1,290	—1,114	— 236	— 832	1,979	280	— 77
3	3,101	28	1,234	—1,243	— 389	— 90	1,895	— 575	402
4	4,181	— 1	1,349	—1,843	— 497	— 608	2,831	— 591	708
1978 *1*	3,298	55	1,391	—1,873	— 620	— 545	1,962	413	663
2	4,200	86	1,513	—1,613	— 539	—1,407	2,773	— 126	912

[1] Excluding financial transactions in writing-off debt. [2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress. [4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress. [5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. [6] The residual error in the national income accounts

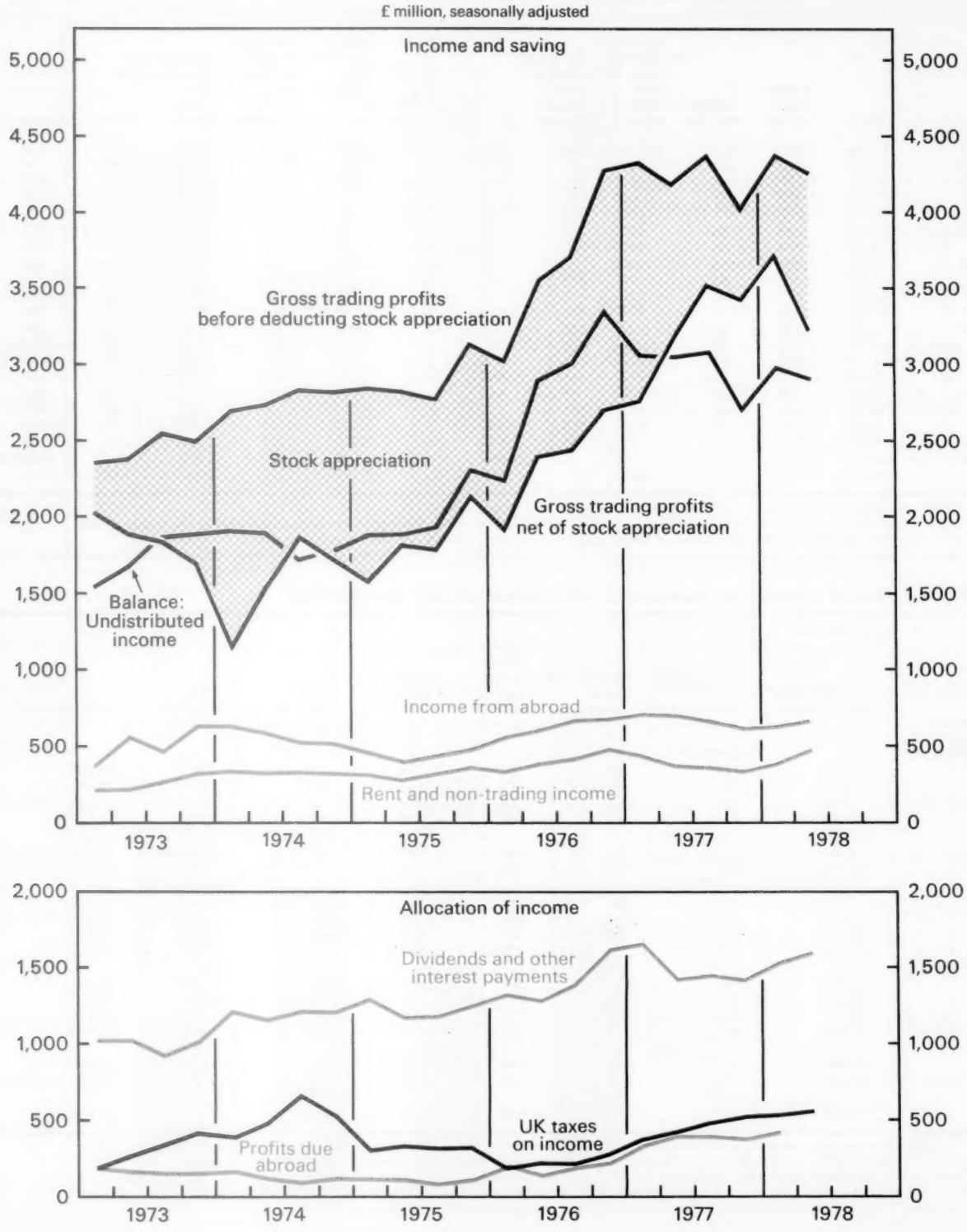
£ million, seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
−3,000
1972
1973
1974
1975
1976
1977
1978

Appropriation account of industrial and commercial companies

£ million Seasonally adjusted

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits			Rent and non-trading income										
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1968	6,854	5,172	470	5,642	457	139	755	1,434	1,067	656	311	919	3,123	705
1969	7,604	5,564	591	6,155	504	165	945	1,554	1,219	756	259	1,013	3,559	819
1970	7,984	5,608	838	6,446	514	151	1,024	1,378	1,301	799	322	1,297	3,686	1,041
1971	8,727	6,297	888	7,185	518	135	1,024	1,530	1,320	792	397	1,104	4,376	1,334
1972	9,906	7,128	1,036	8,164	628	196	1,114	1,524	1,510	969	549	1,082	5,241	1,592
1973	12,832	7,423	2,327	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,156	7,008	2,360
1974	14,671	6,268	4,790	11,058	1,325	695	2,288	1,469	3,340	2,716	525	2,022	7,315	4,012
1975	14,642	7,301	4,239	11,540	1,310	619	1,792	1,608	3,309	2,674	447	1,262	8,016	3,453
1976	18,731	9,462	5,091	14,553	1,641	802	2,537	1,825	3,798	3,149	744	888	11,476	4,117
1977	21,160	12,902	4,046	16,948	1,537	637	2,675	2,233	3,692	3,053	1,496	1,833	11,906	3,850
1972 *1*	2,199	1,659	149	1,808	135	30	256	437	323	196	127	290	1,022	360
2	2,433	1,778	234	2,012	137	34	284	461	347	221	135	253	1,237	357
3	2,578	1,815	305	2,120	169	60	289	352	406	270	141	269	1,410	415
4	2,696	1,876	348	2,224	187	72	285	274	434	282	146	270	1,572	460
1973 *1*	2,944	2,011	336	2,347	219	96	378	526	505	386	188	165	1,560	483
2	3,140	1,886	475	2,361	218	90	561	511	522	392	171	246	1,690	486
3	3,284	1,836	707	2,543	272	134	469	319	609	454	151	339	1,866	611
4	3,464	1,690	809	2,499	320	181	645	282	729	574	155	406	1,892	780
1974 *1*	3,677	1,141	1,554	2,695	340	192	642	432	792	647	170	377	1,906	938
2	3,652	1,525	1,206	2,731	326	170	595	355	811	657	126	461	1,899	1,068
3	3,692	1,869	958	2,827	334	172	531	357	855	691	103	646	1,731	1,024
4	3,650	1,733	1,072	2,805	325	161	520	325	882	721	126	538	1,779	982
1975 *1*	3,614	1,576	1,267	2,843	314	150	457	431	868	711	125	317	1,873	896
2	3,514	1,807	1,004	2,811	298	130	405	377	800	641	122	323	1,892	863
3	3,535	1,797	961	2,758	332	157	445	389	801	637	95	299	1,951	979
4	3,979	2,121	1,007	3,128	366	182	485	411	840	685	105	323	2,300	715
1976 *1*	3,935	1,908	1,110	3,018	348	157	569	480	840	673	200	165	2,250	944
2	4,543	2,395	1,151	3,546	388	178	609	424	867	707	136	240	2,876	980
3	4,801	2,435	1,274	3,709	415	200	677	442	953	784	194	219	2,993	1,126
4	5,452	2,724	1,556	4,280	490	267	682	479	1,138	985	214	264	3,357	1,067
1977 *1*	5,486	2,776	1,554	4,330	448	226	708	570	1,082	912	336	437	3,061	991
2	5,268	3,171	1,020	4,191	375	152	702	506	913	757	396	401	3,052	1,005
3	5,407	3,518	867	4,385	366	140	656	553	893	730	391	482	3,088	960
4	4,999	3,437	605	4,042	348	119	609	604	804	654	373	513	2,705	894
1978 *1*	5,374	3,722	660	4,382	376	135	616	706	808	641	371	519	2,970	899
2	5,379	3,217	1,041	4,258	460	199	661	630	959	814	343	546	2,901	913
Percentage change, quarter on corresponding quarter of previous year														
1977 *1*	+39·4	+45·5	+40·0	+43·4	+28·7	+43·9	+24·4	+18·8	+28·8	+35·5	+ 69·0	+154·8	+36·0	+ 5·0
2	+16·0	+32·4	−11·4	+18·3	− 3·4	−14·6	+15·3	+19·3	+ 5·3	+ 7·1	+191·2	+ 67·0	+ 6·1	+ 2·6
3	+12·6	+44·5	−31·9	+18·2	−11·8	−30·0	− 3·1	+25·1	− 6·3	− 6·9	+101·5	+120·1	+ 3·2	−14·7
4	− 8·3	+26·2	−61·1	− 5·6	−29·0	−55·4	−10·7	+26·1	−29·3	−33·6	+ 74·3	+ 94·3	−19·4	−16·2
1978 *1*	− 2·0	+34·1	−57·5	+ 1·2	−16·1	−40·3	−13·0	+23·9	−25·3	−29·7	+ 10·4	+ 18·8	− 3·0	− 9·3
2	+ 2·1	+ 1·5	+ 2·1	+ 1·6	+22·7	+30·9	− 5·8	+24·5	+ 5·0	+ 7·5	− 13·4	+ 36·2	− 4·9	− 9·2

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memoranda.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the second quarter of 1978 the amount of advance corporation tax included was £226 million. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies and institutions in proportion to the calendar year estimates of their accruals of taxes on income.
[5] Before providing for depreciation, stock appreciation and additions to reserves.


£ million, seasonally adjusted
Income and saving
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross trading profits
before deducting stock appreciation
Stock appreciation
Gross trading profits
net of stock appreciation
Balance:
Undistributed
income
Income from abroad
Rent and non-trading income
1973
1974
1975
1976
1977
1978
Allocation of income
2,000
1,500
1,000
500
0
Dividends and other
interest payments
UK taxes
on income
Profits due
abroad
1973
1974
1975
1976
1977
1978

Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
	Total	Undistributed income[1]	Capital transfers	Bank borrowing[2], loans and mortgages	UK capital issues by listed companies (net)	Overseas[3]	Taxes on capital and capital transfers	Gross domestic fixed capital formation	Increase in value of stocks and work in progress	Acquisition of financial assets: Liquid assets[4]	Acquisition of financial assets: Other[5]	Unidentified items (residual)
1973	14,784	7,008	373	5,379	194	1,830	26	4,879	3,814	2,573	3,201	291
1974	14,777	7,315	363	4,656	70	2,373	31	6,054	6,100	40	2,488	64
1975	12,355	8,016	443	815	1,266	1,815	38	7,078	2,028	1,746	1,804	—339
1976	18,132	11,476	401	3,309	880	2,066	43	8,094	5,037	1,694	4,395	—1,131
1977	18,946	11,906	311	3,164	667	2,898	53	9,523	5,042	2,769	3,674	—2,115
1974 *3*	3,334	1,685	86	948	20	595	5	1,559	1,565	25	337	— 157
4	3,539	2,066	89	949	53	382	6	1,781	1,037	31	1,378	— 694
1975 *1*	2,973	1,699	119	830	49	276	22	1,583	562	178	234	394
2	2,826	2,045	82	70	379	250	5	1,643	482	— 281	1,194	— 216
3	2,564	1,823	123	— 539	413	744	5	1,964	433	1,389	— 499	— 729
4	3,992	2,449	119	454	425	545	6	1,888	551	460	875	212
1976 *1*	3,564	2,475	116	22	248	703	22	1,651	922	99	1,104	— 234
2	4,934	2,935	98	1,059	439	403	6	1,950	961	683	1,373	— 39
3	3,996	2,578	90	710	152	468	8	2,207	1,321	729	495	— 762
4	5,636	3,488	97	1,518	41	492	7	2,286	1,833	183	1,423	— 96
1977 *1*	5,037	3,188	104	795	37	913	29	1,933	1,982	63	498	532
2	5,148	3,180	91	791	347	739	8	2,432	1,376	427	1,358	— 453
3	4,095	2,697	53	455	185	705	7	2,463	706	950	910	— 941
4	4,666	2,841	63	1,123	98	541	9	2,695	978	1,329	908	—1,253
1978 *1*	4,903	2,886	193	774	— 8	1,058	24	2,554	1,117	470	205	533
2	5,006	3,050	106	1,063	339	448	10	2,789	1,485	1,082	810	—1,170

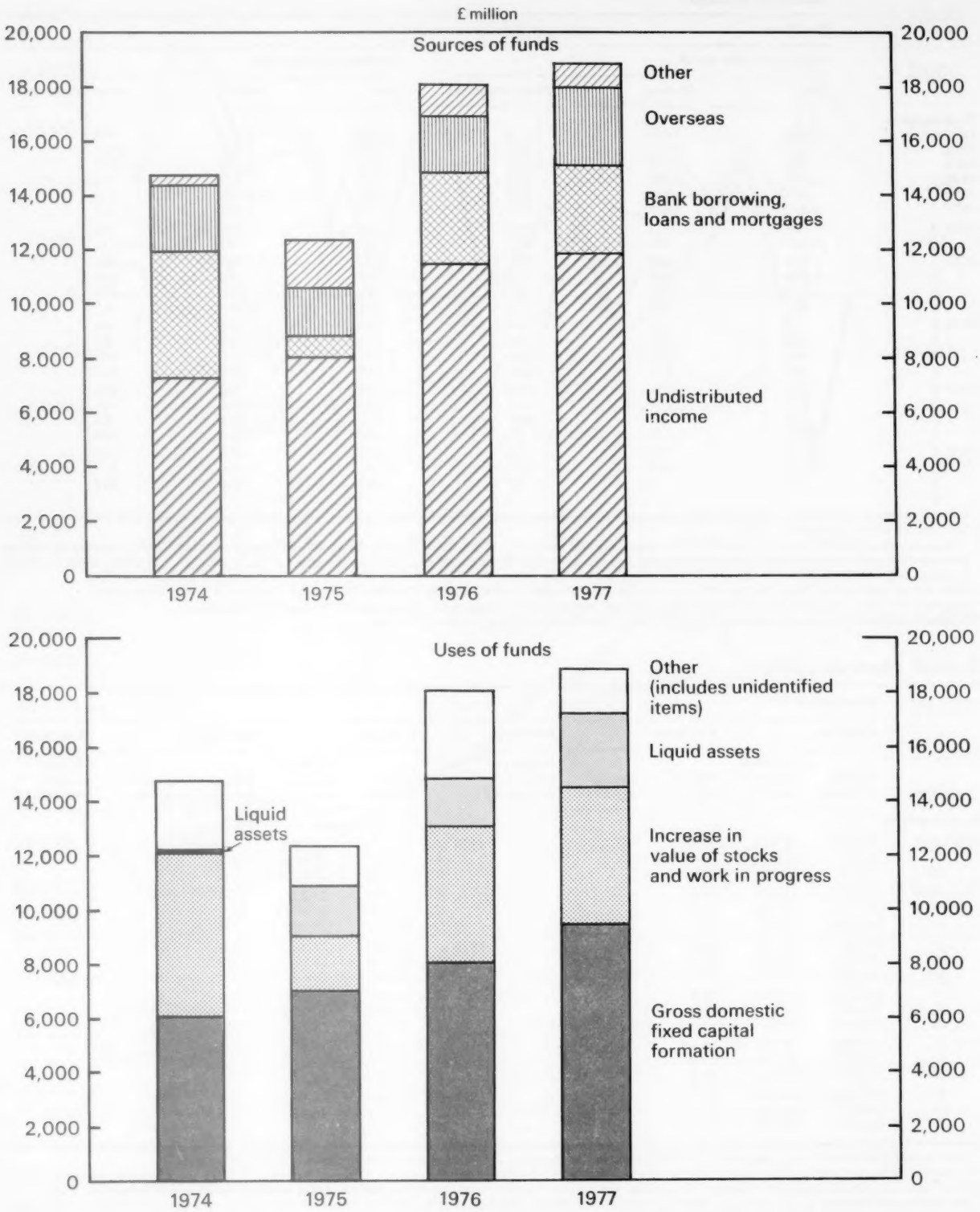
[1] Before providing for depreciation, stock appreciation and additions to reserves.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Other than investments included in UK capital issues.
[4] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.
[5] Including figures of large companies transactions in British government securities (for further information see *Financial Statistics Explanatory handbook).*

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Deposits with banking sector[1,2,3]	Deposits with building societies	Deposits with finance houses[1]	British government securities	Local authority debt	Other identified[1,4]	Total identified[1]	Bank advances[1,5]
1974 *3*	8,092	172	157	87	799	169	9,474	18,048
4	8,094	180	122	83	787	98	9,364	18,607
1975 *1*	8,149	181	163	86	739	59	9,377	19,063
2	8,050 / 8,302	183	173	155	706	116 / 113	9,383 / 9,652	19,817 / 18,268
1974 *3*	9,480	184	159	149	723	386	11,081	18,188
4	9,744 / 9,734	185	136	175	741	356	11,337 / 11,327	18,362 / 18,410
1976 *1*	9,697	222	183	216	730	567	11,615	18,423
2	10,252	251	193	255	712	690	12,353	19,803
3	11,002	273	203	257	706	430	12,871	20,612
4	11,168	289	210	298 / 289	932	240	13,137 / 13,128	21,707
1977 *1*	11,219	304	201	301	867	300	13,192	22,012
2	11,452	336	224	336	783	406	13,537	22,672
3	11,927	363	220	353	705	748	14,316	22,954
4	12,968	401	214	377 / 437	577	658	15,195 / 15,255	23,333
1978 *1*	13,444	426	211	418	591	509	15,599	23,682
2[6]	14,164	446 / 333	256	438	591	648	16,549 / 16,436	25,009
3	1,4145	314		440	616			24,922

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit.
[3] After deducting 60% item in transit.
[4] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[5] Including refinanceable export and shipbuilding credits with effect from mid-May 1972 and after addiing 40% items in transit.
[6] The break in series for deposits with building societies is due to new returns from building societies.


£ million
Sources of funds
Other
Overseas
Bank borrowing, loans and mortgages
Undistributed income
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1974
1975
1976
1977
Uses of funds
Other (includes unidentified items)
Liquid assets
Increase in value of stocks and work in progress
Gross domestic fixed capital formation
Liquid assets

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,363	3,080	283	107	− 387	494
1976	269	− 165	434	3,387	3,128	259
1977	2,513	1,831	682	4,716	3,494	1,222
1974 *3*	− 124	− 224	100	1,504	1,356	148
4	1,041	549	492	328	87	241
1975 *1*	113	− 185	298	190	231	− 41
2[5]	1,334	1,346	− 12	204	− 35	239
3	1,624	1,624	—	− 183	− 432	249
4[4]	292	295	− 3	− 104	− 151	47
1976 *1*	42	25	17	262	326	− 65
2	− 245	− 299	54	711	793	− 82
3	832	674	158	1,170	1,011	159
4	− 168	− 373	205	1,048	801	247
1977 *1*	338	− 165	503	1,259	705	553
2	244	244	—	1,207	1,050	157
3	792	543	249	868	804	64
4	1,155	1,225	− 70	1,368	919	448
1978 *1*	− 119	110	− 229	856	673	182
2	−1,552	−1,312	− 240	2,111	1,650	461
3	− 61	− 1	− 60	1,550	1,238	312
4						

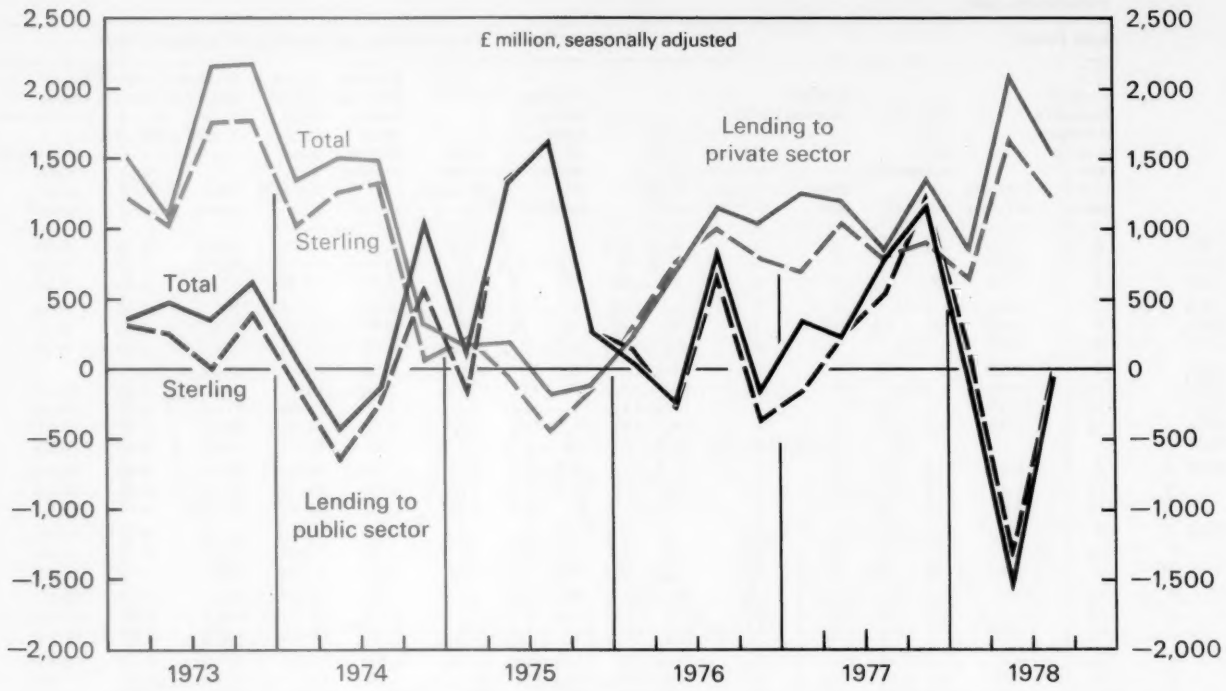
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

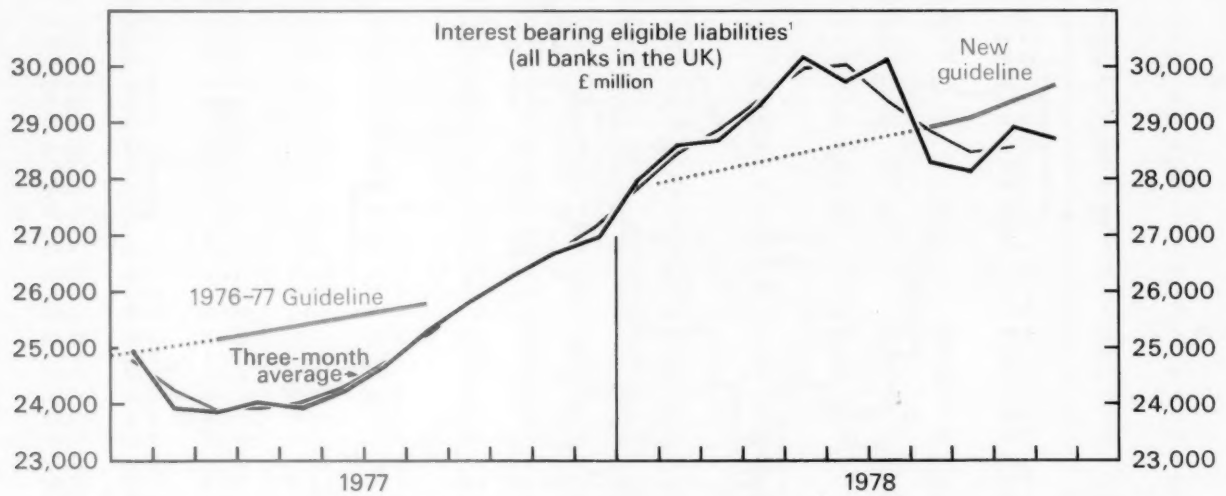
Banks' reserve ratio

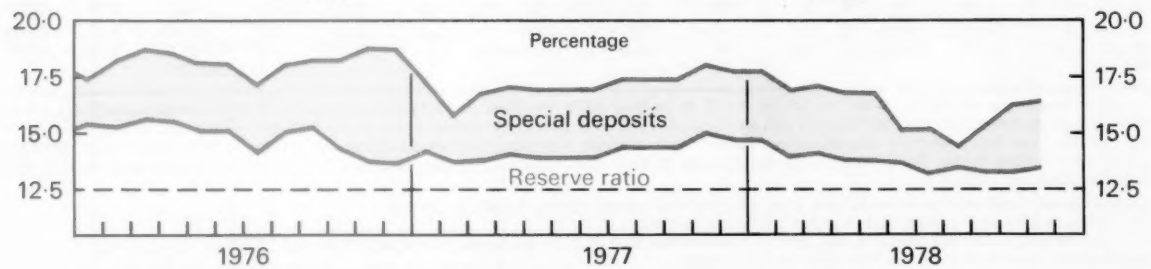
Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1976 *J*	33,046	22,509	15·5	2		1977 *J*	37,094	24,672	14·0	3	1
F	33,204	22,929	15·4	3		*A*	37,692	25,319	14·5	3	
M	33,106	22,551	15·8	3		*S*	38,795	25,801	14·5	3	
A	33,907	22,801	15·6	3		*O*	39,709	26,321	14·5	3	
M	33,738	22,745	15·2	3		*N*	40,209†	26,656†	15·1	3	
J	34,026	23,111	15·2	3		*D*	40,851	26,955	14·8	3	
J	34,987	23,766	14·2	3		1978 *J*	41,681	27,988	14·8	3	
A	35,185	23,955	15·1	3		*F*	42,230	28,620	14·0	3	
S	35,796	24,392	15·4	3		*M*	42,565	28,689	14·1	3	
O	36,623	25,216	14·4	4		*A*	43,862	29,367	13·9	3	
N	37,281	26,085	13·9	5		*M*	44,502	30,098	13·9	3	
D	36,878	25,422	13·8	5		*J*	44,359	29,722	13·8	1½	
1977 *J*	36,148	24,996	14·4	3		*J*	45,027	30,170	13·3	2	
F	34,835	23,911	13·8	2		*A*	43,408	28,278	13·5	1	
M	34,977	23,840	13·9	3		*S*	43,510	28,143	13·4	2	
A	35,844	24,009	14·2	3		1977 *O*[4]	44,841	28,894	13·4	3	
M	35,827	23,943	14·0	3	1	*N*	44,638	28,685	13·5	3	1
J	36,278	24,221	14·0	3	—	*D*					

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments can become due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1%; hitherto this bank was outside the normal credit control arrangements.







[1]Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
					London clearing banks						*Financial Times* index of industrial ordinary shares		
											1 July 1935=100		
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	Base rate	Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	Price index	Dividend yield	Earnings yield[7]
1967		8	7·63	7¾ – 7⅞	8	6	8 1/16 – 8 3/16	..	6 5/16	4·25	6·69	355·0	5·36	6·69
1968		7	6·89	7¾	7	5	7 1/16 – 8	7 5/8 – 7 15/16	7½	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9⅛ – 9¼	11 5/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7⅛ – 7¼	7 3/16 – 7 5/16	7 7/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4½ – 4⅝	4½	2½	4⅝ – 4¾	4⅜ – 4¾	5¾	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8⅞ – 9 1/16	8 13/16 – 9 1/16	5 15/16	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16⅛	13	9½	16 1/16 –16 5/16	15¾ –16	10⅜	7·50	10·85	435·6	4·12	..
1974		11½	11·30	13¼	12	9½	12½ –12 13/16	12⅝ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975		11¼	10·93	11¼ –11⅜	11	7	11 1/16 –11⅛	11 –11⅛	6 1/16	7·00	14·66	311·0	6·81	19·49
1976		14½	13·98	14¾ –15	14	11	14½ –14⅝	14 1/16 –14⅛	5 1/16	7·80	14·25	368·0	5·96	17·61
1977		7		6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅜ – 6 7/16	7⅛	6·00	12·32	452·3	5·42	16·50
1975	*O*	12	11·74	11 5/16 –11¾	11	7	11 9/16 –11¾	11 7/16 –11½	6 3/16	7·00	14·90	341·9	6·14	16·88
	N	11½	11·30	11⅜ –11 7/16	11	7	11⅛ –11⅜	11 3/16 –11 5/16	7 1/16	7·00	14·79	367·9	5·76	16·02
	D	11¼	10·93	11 1/16 –11⅜	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·86	365·8	5·74	15·98
1976	*J*	10	9·52	9⅞ – 9 15/16	10½	6½	9⅜ – 9 1/16	9 7/16 – 9½	5⅜	7·00	13·78	397·0	5·30	14·91
	F	9¼	8·80	9 – 9 1/16	9½	5½	8 3/16 – 8⅜	8 1/16 – 8 3/16	5⅜	7·00	13·54	404·2	5·17	14·99
	M	9	8·60	8⅝ – 8¾	9½	5½	8 9/16 – 8 11/16	8 7/16 – 8 9/16	5 7/16	7·00	13·95	404·7	5·12	15·01
	A	10½	10·20	10 1/16 –10¼	9½	5½	9 13/16 –10 1/16	9⅞ – 9 15/16	5 9/16	7·00	13·97	406·0	5·13	15·17
	M	11½	11·31	11¼ –11⅜	10½	6½	11¼ –11 1/16	11 5/16 –11 7/16	6⅝	6·50	13·72	406·6	5·26	15·19
	J	11½	11·30	11 1/16 –11¼	10½	6½	11 1/16 –11 7/16	11 1/16 –11⅜	6 1/16	6·50	14·01	378·6	5·69	16·14
	J	11½	11·17	11 3/16 –11¼	10½	6½	11 3/16 –11¼	11 3/16 –11½	5 13/16	6·50	13·95	383·8	5·74	16·44
	A	11½	11·25	11 1/16 –11 1/16	10½	6½	11 1/16 –11 5/16	11 3/16 –11 1/16	5 11/16	6·50	14·11	368·1	6·03	17·55
	S	13	12·74	12¾ –12⅞	12	8½	12½ –12¾	12½ –12⅝	5⅝	6·50	14·47	344·0	6·52	19·23
	O	15	14·97	15¼ –15½	14	11	15 1/16 –15⅜	15 3/16 –15 1/16	5 7/16	6·50	15·43	293·6	7·61	23·07
	N	14¾	14·54	15 –15¼	14	11	14¾ –14 15/16	14 9/16 –14 11/16	5 5/16	7·80	15·22	301·0	7·28	22·66
	D	14¼	13·98	14⅜ –15	14	11	14 1/16 –14⅜	14 1/16 –14⅛	5 1/16	7·80	14·82	328·6	6·67	20·91
1977	*J*	12¼	12·09	12⅜ –13 5/16†	13	9½	12⅛ –12⅜	12 –12 1/16	5⅛	7·80	13·67	374·7	6·01	18·69
	F	12	11·06	11⅝	11½	8	11 5/16 –11 9/16	11⅛ –11 3/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10½	9·57	9½ – 9⅝	9½	6½	9⅜ – 9 15/16	9 9/16 – 9⅝	5 7/32	7·80	12·85	418·2	5·39	16·91
	A	8¼	7·64	8⅛	9	4½	7 15/16 – 8 1/16	7 1/16 – 7⅞	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7¾ – 7 7/8	8½	4	7 1/16 – 7 1/16	7 1/16 – 7¾	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7 7/8 – 8	8½	4	7¾ – 8	7¾ – 7 13/16	5 5/16	7·00	12·85	450·5	5·19	15·83
	J	8	7·44	7⅝ – 7¾	8½	4	7⅝ – 7 1/16	7 9/16 – 7 11/16	6¼	6·70	13·11	443·1	5·37	16·09
	A	7	6·52	6⅝ – 6¾	8	4	6⅝ – 6¾	6⅝ – 6 11/16	6⅜	6·70	12·56	478·6	5·23	15·26
	S	6	5·37	5 13/16 – 5⅞	7	3	5¾ – 5 15/16	5⅝ – 5 23/32	6 29/32	6·70	11·52	522·8	5·08	14·98
	O	5	4·53	4¾ – 5	6	3	4 3/16 – 5	4 3/16 – 4 5/16	7½	6·70	10·84	511·9	5·26	15·55
	N	7	6·53	6¾	6	3	6½ – 7⅛	6⅝ – 6 11/16	7 3/32	6·00	11·04	480·5	5·56	16·72
	D	7	6·39	6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅜ – 6 7/16	7⅛	6·00	10·90	481·6	5·55	16·83
1978	*J*	6½	5·85	6¼ – 6 5/16	6½	3	6 5/16 – 6½	6¼ – 6¼	7 15/16	6·00	10·67	482·3	5·57	16·96
	F	6½	6·07	6⅝ – 6¾	6½	3	6⅝ – 6⅞	6⅝ – 6¾	7 3/16	5·50	11·21	457·9	5·85	17·74
	M	6½	6·02	6⅝ – 7	6½	3	6 13/16 – 7	6 11/16 – 6 13/16	7 9/16	5·50	11·18	454·9	5·94	17·51
	A	7½	7·12	8 – 8⅛	7½	4	8 3/16 – 8½	8⅛ – 8¼	7 25/32	5·50	11·65	460·9	5·85	17·25
	M	9	8·67	9¼	9	6	9 5/16 – 9 7/16	9 3/16 – 9¼	7 15/16	5·50	12·07	476·6	5·58	16·86
	J	10	9·49	9⅞ –10 1/16	10	6½–7	10 1/16 –10¼	9 15/16 –10 1/16	8 23/32	5·50	12·31	466·1	5·68	16·65
	J	10	9·33	10⅛ –10¼	10	6½–7	9 15/16 –10 3/16	9 13/16 – 9 15/16	8 17/32	6·70	12·20	472·2	5·52	17·06
	A	10	9·03	9¼ – 9⅜	10	6½–7	9 3/16 – 9⅜	9 3/16 – 9 5/16	8 25/32	6·70	12·15	508·8	5·28	15·88
	S	10	9·38	9⅜ – 9⅝	10	6½–7	9 9/16 – 9 13/16	9½ – 9⅝	9 9/16	6·70	12·17	516·0	5·21	15·02
	O	10	10·56	10¾ –10⅞	10	6½–7	10¾ –11 1/16	10 11/16 –11	11 9/32	6·70	12·42	497·5	5·42	15·09
	N	12½	11·91	12 3/16 –12¼	12½	10	12 1/16 –12¼	12 1/16 –12 3/16	11⅜	6·70	12·63	476·9	5·86	15·86
	D													

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ½% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

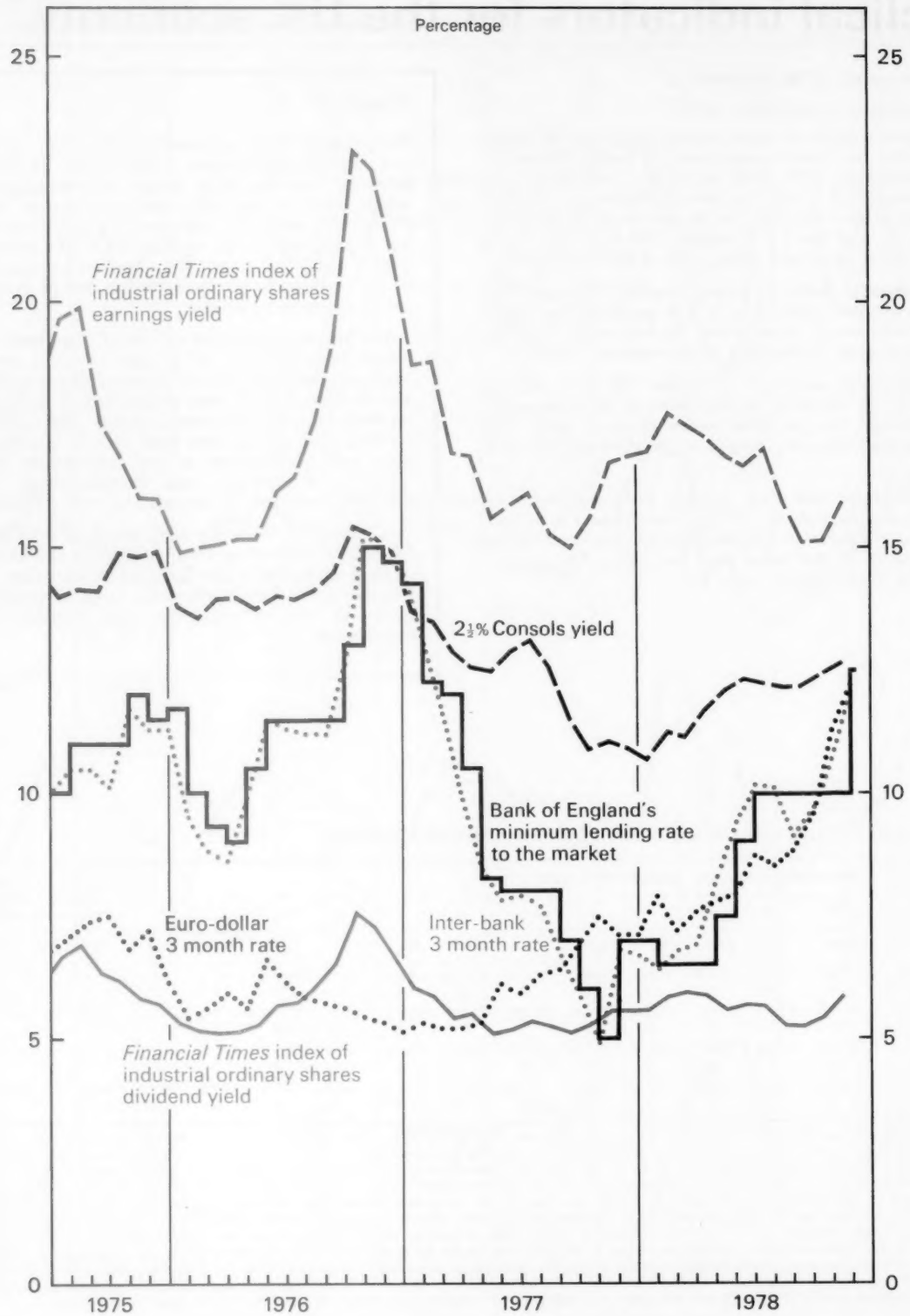
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Inter-bank 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1975
1976
1977
1978

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 14 December 1978)

The composite index of *longer leading* indicators fell again in November and now stands some 18 points below the level of September 1977. Both indicators available for the month contributed to this movement. Short-term interest rates (used in inverted form in the composite series) rose quite sharply and the FT Actuaries 500 index fell back. Housing starts, an erratic series, rose slightly in October.

The composite index of *shorter leading* indicators fell slightly in October. Falls in both hire purchase new credit extended and new car registrations, the two series available, caused this change of direction in the composite index.

The composite index of *coincident* indicators fell in October due to decreases in the index of manufacturing production and the smoothed series of retail sales. The figures for gross domestic output in the third quarter rose slightly.

The composite index of *lagging* indicators rose in November due to a slight rise in vacancies and a further improvement in the unemployment figures. The latest values for other series in this index have not altered the general direction of the composite index.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

	Most recent values[2] January 1975 = 100												Lead (−) or lag (+) in months relative to reference cycle dates[3]		
	1977	1978													
	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Mean	Earliest	Latest
Longer leading	110·1	109·1	108·5	106·1	104·0	101·7	100·6	100·2	101·0	100·8	99·2	96·2	−12	−17	−7
	4	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*3*	*3*	*2*			
Shorter leading	114·0	115·3	116·7	115·4	114·4	113·0	113·4	115·7	117·1	117·5	116·9		−5	−9	−1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*3*	*2*				
Coincident	102·9	103·8	104·2	105·9	107·5	109·4	110·3	111·7	112·1	112·0	111·3		+2	—	+6
	6	*6*	*6*	*6*	*6*	*6*	*6*	*4*	*4*	*4*	*3*				
Lagging	92·5	93·0	93·8	94·8	96·0	97·2	97·7	98·1	98·2	98·9	100·4	101·6	+11	+5	+18
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*	*2*			

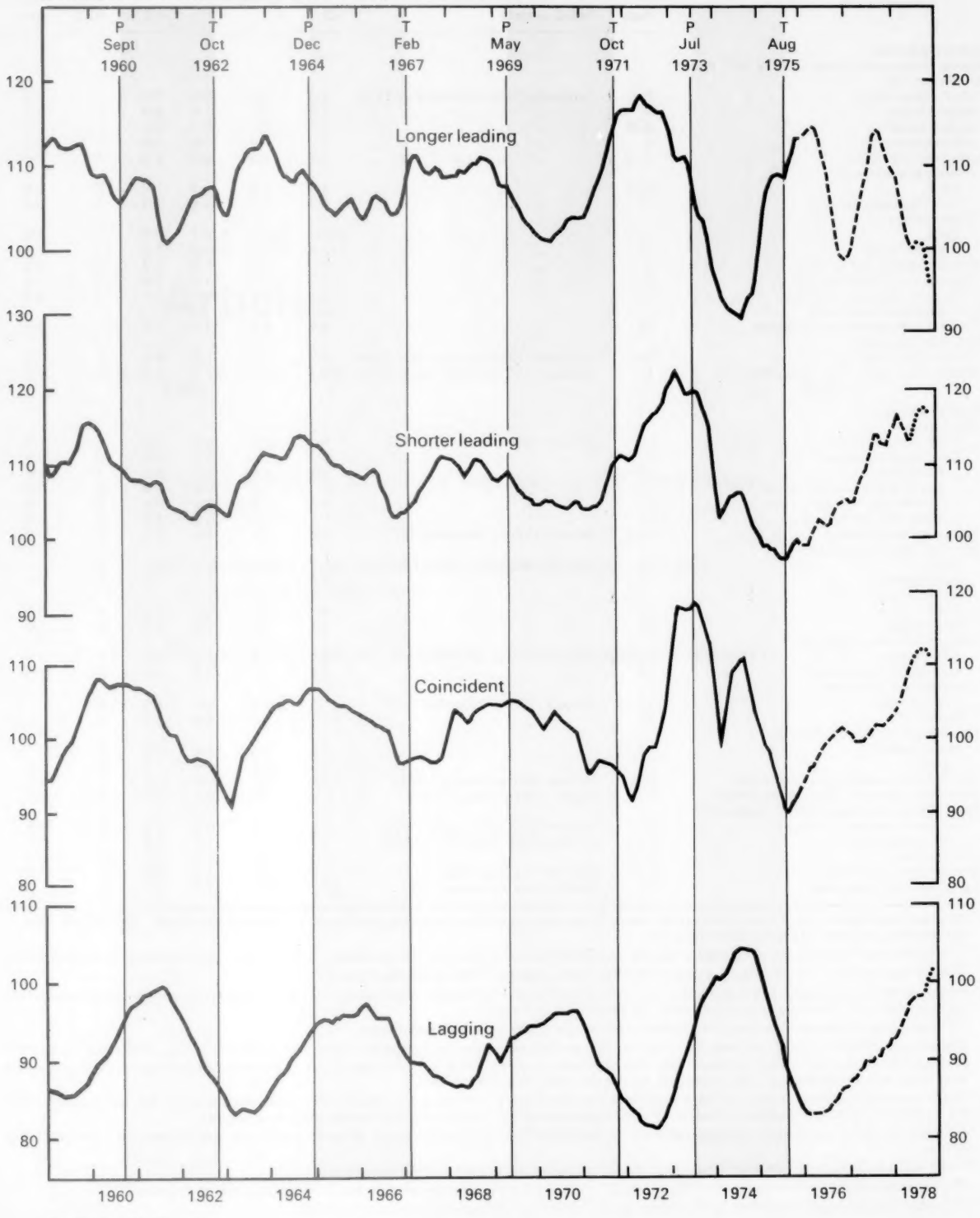
[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

[3] The table incorporates changes to the timing characteristics of series due to revisions to data and the rebasing on 1975 of some series. Further changes may be necessary when all rebased series become available and the current review of the reference cycle chronology is completed.

Cyclical indicators

Composite indices of indicator groups. January 1975=100



P = Peak T = Trough

Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1978	1·3	0·8	0·9	0·9	1	0·9
Income based	6	" " " " " " "	1·4	0·8	1·0	0·9	1	0·9
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " " "	1·1	0·6	0·8	0·8	1	0·8
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·6	0·9	1·9	2	0·9
Manufacturing industry	18	" " " " " " "	3·9	2·5	2·4	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·4*	*136·2*	*146·1*	0·9	1	0·9
Manufacturing	22	" " " " " " "	*172·4*	*118·2*	*102·9*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·0	2·2	1·9	1·2	2	0·5
Imports: goods and services	8	" " " " " " "	2·9	2·2	1·6	1·4	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·2	1·2	1·1	2	0·3
Other national income series								
Gross trading profits of companies	58	" " " " " " "	3·6	2·5	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1978	2·2	1·3	1·5	0·9	1	0·9
Public sector borrowing requirement[6]	54	1st quarter 1971 to 2nd quarter 1977	*356·0*	*349·0*	*171·0*	2·0	2	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1977	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " " "	0·6	0·6	0·2	2·9	4	0·8
Clothing and footwear shops	12	" " " " " "	2·0	1·9	0·4	5·6	6	0·9
Durable goods shops	12	" " " " " "	1·8	1·7	0·7	2·2	3	0·8
Other non-food shops	12	" " " " " "	1·1	1·0	0·3	2·8	3	1·0
Cars: new registrations	5,12	January 1971 to December 1977	7·8	7·4	1·6	4·6	6	0·9
Housing: public authorities[4]								
Starts	20	January 1956 to December 1977	11·7	11·4	1·7	6·7	6	
Completions	20	" " " " "	7·8	7·6	1·1	7·0	6	
Housing; private								
Starts	20	" " " " "	8·3	8·0	2·4	3·4	4	0·9
Completions	20	" " " " "	6·1	6·0	0·9	6·5	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to July 1978	0·9	0·8	0·4	1·9	3	0·9
Manufacturing industries	26	" " " " "	1·2	1·0	0·4	2·5	3	1·0
Passenger car production:								
Home market	32	January 1968 to December 1977	11·9	11·7	2·0	5·9	6	
Export	32	" " " " "	11·2	11·0	0·8	13·8	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·2	8·9	1·4	6·2	6	
Export	32	" " " " "	11·0	10·8	1·5	7·4	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to January 1978	*13·5*	*4·5*	*12·2*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to January 1978	*5·9*	*2·4*	*5·3*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1977	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,50	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	52	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

Articles

Title	Page
United Kingdom balance of payments in the third quarter of 1978	71
International comparisons of taxes and social security contributions 1970-76	97
Financial balances of industrial and commercial companies	110

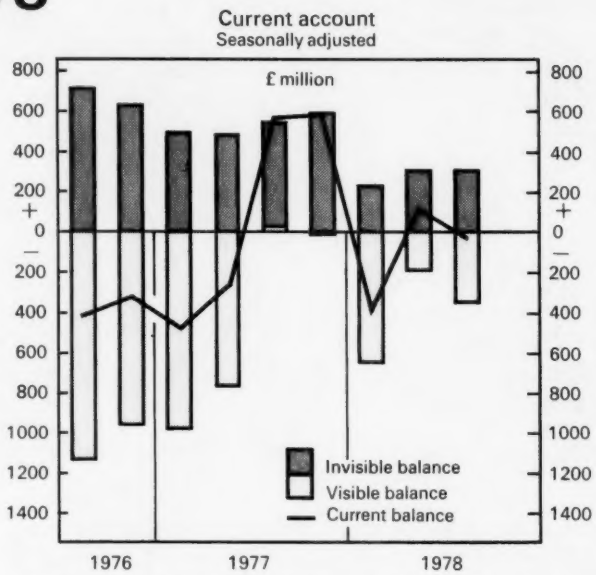
United Kingdom balance of payments in the third quarter of 1978

SUMMARY

There was a surplus on *current and capital accounts combined* of £210 million in the third quarter reflecting a turn-round in confidence in sterling particularly against the dollar. This compares with a deficit of £1,494 million in the previous quarter.

The *current account* was in deficit in the third quarter by £26 million (seasonally adjusted), following a surplus of £126 million in the second quarter. The deterioration between the second and third quarters resulted from fluctuations in the deficit on visible trade which increased to £342 million from £182 million in the second quarter.

The surplus on *invisibles* (seasonally adjusted) in the third quarter is estimated at £316 million, much the same as in the previous quarter, despite an erratic increase of £75 million between the quarters in net government transfers mainly reflecting unusually high contributions to the European Communities. The balance of earnings from services recovered somewhat from the relatively low second quarter level and net earnings of interest by UK banks on lending and borrowing in the eurocurrency markets also rose in the third quarter. The surplus on the transactions of the private sector and public corporations (excluding transfers) increased by £67 million to £1,148 million in the third quarter.



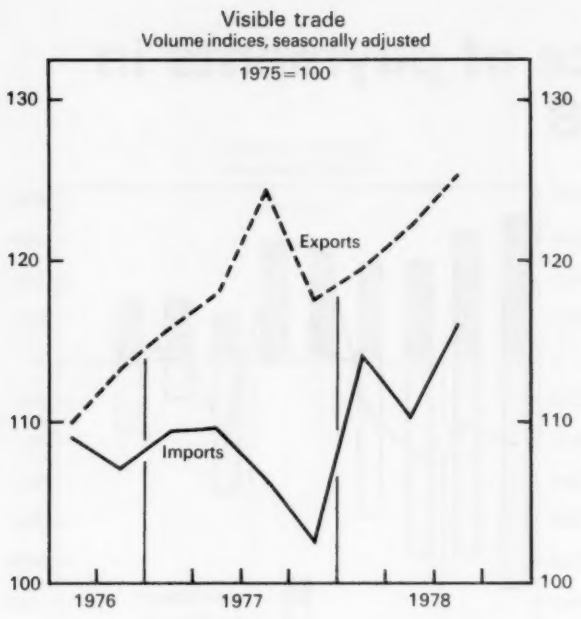
The surplus of £213 million on *capital account* (including unidentified transactions) followed the deficit of £1,707 million in the previous quarter. Flows of banking and other short-term capital swung sharply round. In particular

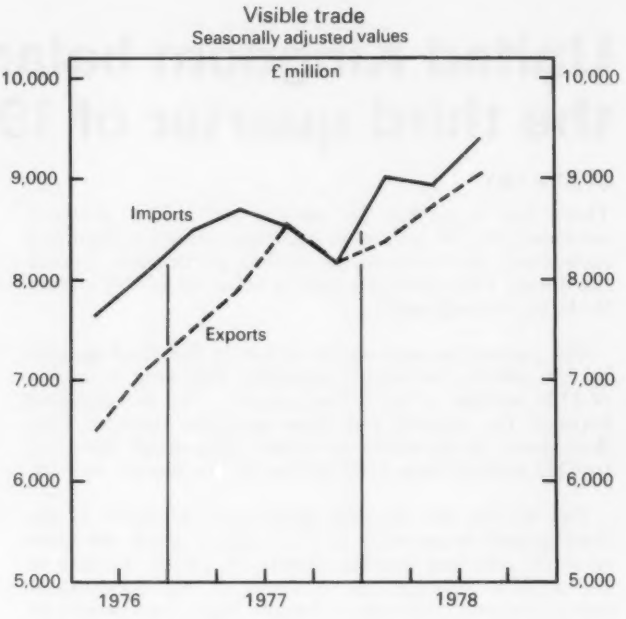
Summary balance of payments

TABLE A

	£ million								
			1977				1978		
	1976	1977	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr
Current account				Seasonally adjusted					
Visible balance	−3,589	−1,709	− 973	− 762	+ 31	− 5	−642	− 182	−342
Invisible balance	+2,452	+2,115	+ 493	+ 482	+ 544	+ 596	+229	+ 308	+316
CURRENT BALANCE	−1,137	+ 406	− 480	− 280	+ 575	+ 591	−413	+ 126	− 26
				Not seasonally adjusted					
Current balance	−1,137	+ 406	− 518	− 280	+ 602	+ 602	−554	+ 213	− 3
Investment and other capital transactions	−2,896	+4,416	+1,723	+ 122	+1,192	+1,379	+ 92	−1,779	+ 72
Balancing item	+ 404	+2,539	+ 708	+1,066	+ 814	− 49	+635	+ 72	+141
BALANCE FOR OFFICIAL FINANCING	−3,629	+7,361	+1,913	+ 908	+2,608	+1,932	+173	−1,494	+210
Official financing									
Net transactions with:									
IMF	+1,018	+1,113	+ 682	+ 217	+ 214	—	—	− 505	− 26
Other monetary authorities	− 34	—	—	—	—	—	—	—	—
Foreign currency borrowing:									
By HM Government[1]	—	+ 871	+ 584	—	+ 287	—	—	+ 191	—
By public sector under exchange cover scheme	+1,792	+ 243	+ 18	+ 33	+ 118	+ 74	−219	218	−130
Official reserves (drawing on, +: additions to, −)	+ 853	−9,588	−3,197	−1,158	−3,227	−2,006	+ 46	+2,026	− 54

[1] Drawings on two euro-dollar facilities for HM Government to borrow $2,500 and $1,500 million respectively, and a $350 million bond issue in New York.





there was a very substantial change between the quarters associated with UK banks' borrowing and lending in overseas currencies. In the second quarter there was a net outflow of £1 billion but this was followed in the third quarter by a net inflow of over £300 million. External sterling balances increased by £164 million after falling by nearly £400 million in the previous quarter. The increase of £65 million in UK banks, external sterling lending was some £300 million less than the increase in lending during the second quarter.

There was a surplus for *official financing* of £210 million. Repayments under the exchange cover scheme (including some made ahead of schedule) exceeded new borrowings by £130 million and sterling drawings by other countries reduced the United Kingdom's liabilities to the IMF by £26 million. The balance of £54 million was added to the official reserves.

DETAIL

Visible trade (seasonally adjusted figures)

There was a deficit on visible trade in the third quarter of 1978 of £342 million, an increase of £160 million over the deficit of £182 million in the second quarter. The balance of the erratic trade in ships, North Sea production installations, aircraft and precious stones moved adversely by £200 million between the quarters and there was a deterioration of nearly £120 million in the balance of trade in oil. These adverse movements were partially offset by the improvement of nearly £160 million shown in the balance of trade in other goods.

Visible trade

TABLE B

	1976	1977	1977 1st qtr	1977 2nd qtr	1977 3rd qtr	1977 4th qtr	1978 1st qtr	1978 2nd qtr	1978 3rd qtr
Value (£ million)				Seasonally adjusted					
Exports (f.o.b.)	25,424	32,182	7,512	7,927	8,556	8,187	8,380	8,743	9,071
Imports (f.o.b.)	29,013	33,891	8,485	8,689	8,525	8,192	9,022	8,925	9,413
Visible balance	− 3,589	− 1,709	− 973	− 762	+ 31	− 5	− 642	− 182	− 342
Volume indices (1975 = 100)									
Exports	109·8	118·9	115·8	118·0	124·4	117·6	119·5	122·0	125·3
Imports	105·7	107·1	109·4	109·6	106·6	102·7	114·1	110·3	116·1
Unit value indices (1975 = 100)				Not seasonally adjusted					
Exports	120·7	142·4	135·7	141·4	145·2	147·3	149·5	153·7	157·1
Imports	121·6	141·4	137·2	141·0	143·7	143·8	142·6	147·0	149·2
Terms of trade[1]	99·3	100·7	98·9	100·3	101·0	102·4	104·8	104·6	105·3

[1] Export unit value index as a percentage of the import unit value index.

In value, imports increased by £488 million over the second quarter while exports rose by £328 million. In volume terms, imports increased by 5½ per cent, a large part of this rise reflecting an increase of 18 per cent in fuel imports as they returned to the 1977 average level following a low second quarter. There was also a sharp increase in the volume of semi-manufactured imports already at a high level in the earlier quarters of 1978. Imports of finished manufactures other than transport equipment also increased in the third quarter to a level 22 per cent higher than the average for 1977. The volume of imports of road vehicles fell by 3½ per cent in the third quarter. Imports of manufactures as a whole were 15 per cent more than the quarterly average for 1977.

In value, exports rose by £328 million while volume rose by 2½ per cent between the quarters with the largest increase being recorded in exports of oil. Road vehicles on the other hand fell back from the high level achieved in the second quarter but remained comparatively buoyant. The volume of exports in total was 6 per cent higher than the average level of 1977.

The unit value index for imports rose by 1½ per cent between the quarters while the increase in the equivalent export index was 2 per cent resulting in a rise of ½ per cent in the terms of trade.

A detailed analysis of visible trade in the third quarter of 1978 was published in an article in *Trade and Industry* on 8 December 1978.

Invisibles (seasonally adjusted figures)

The surplus on invisibles in the third quarter of 1978 is estimated to be £316 million, much the same as in the second quarter. Credits increased to £4,503 million and debits increased to £4,187 million. The surplus on transactions (excluding transfers) of the private sector and public corporations increased by £67 million to £1,148 million.

(i) Services

The surplus on services in the third quarter recovered to the level in the first quarter, £651 million, but was

Credits and debits on invisibles

TABLE C

	Seasonally adjusted								
	£ million								
			1977				1978		
	1976	1977	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr
Credits									
Services:									
General government	215	240	45	48	65	82	61	75	94
Private sector and public corporations									
Sea transport	3,247	3,466	891	895	865	815	792	810	804
Civil aviation	1,051	1,203	293	304	284	322	328	335	374
Travel	1,633	2,179	508	524	572	575	528	548	560
Financial services	1,287	1,426	311	303	380	432	407	322	349
Other services	2,311	2,809	662	700	714	733	757	793	832
Interest, profits and dividends:									
General government	253	411	65	81	115	150	194	207	189
Private sector and public corporations	3,650	3,689	967	933	918	871	873	962	1,030
Transfers:									
General government	251	292	77	60	62	93	88	81	131
Private	456	500	116	123	128	133	130	140	140
Total	14,354	16,215	3,935	3,971	4,103	4,206	4,158	4,273	4,503
Debits									
Services:									
General government	972	1,022	252	249	257	264	271	296	287
Private sector and public corporations									
Sea transport	3,222	3,445	889	865	864	827	853	917	882
Civil aviation	810	959	224	240	243	252	256	265	300
Travel	1,006	1,102	278	275	256	293	354	343	397
Other services	1,752	1,939	460	462	512	505	488	503	496
Interest, profits and dividends:									
General government	901	1,096	269	270	267	290	302	319	307
Private sector and public corporations	1,687	2,520	604	658	636	622	643	661	726
Transfers:									
General government	1,043	1,403	321	335	371	376	537	457	582
Private	509	614	145	135	153	181	225	204	210
Total	11,902	14,100	3,442	3,489	3,559	3,610	3,929	3,965	4,187
Invisible balance	+ 2,452	+ 2,115	+ 493	+ 482	+ 544	+ 596	+ 229	+ 308	+ 316

still well below the level in the second half of 1977. Earnings on financial services increased and the balances on sea transport and 'other services' also improved, but there was a fairly sharp increase in expenditure on overseas travel by UK residents.

There was an improvement in the balance on the *sea transport* account in the third quarter as the deficit on tankers improved, a result of lower payments for chartering and for freight on oil imports. In contrast with the surpluses in past years dry cargo operations returned a deficit for the third consecutive quarter with receipts of £511 million and payments of £557 million. Earnings from cross-trades fell to their lowest level for two years while payments for freight on imported goods continued on an upward trend.

Civil aviation credits and debits both increased by nearly £40 million to £374 million and £300 million respectively. Receipts by UK airlines increased by £36 million (15 per cent) during the quarter but this was partly offset by an increase of £19 million in their disbursements overseas. There was also a fairly large increase of £13 million in fares paid by UK residents flying on foreign airlines.

Earnings from *travel* and tourism are provisionally estimated at £560 million, an increase of £12 million over the second quarter. This continues the trend in recent quarters which shows a levelling off in visits and in earnings. The number of UK residents travelling abroad is thought to have increased sharply and debits are estimated to have risen by £54 million to £397 million. The resulting estimated surplus on the travel account of £163 million is well below the levels achieved in 1977.

Earnings from *financial services* increased from £322 million to £349 million. Within this total, commodity earnings showed the largest change, increasing by £25 million. During the first three quarters of 1978, total earnings from financial services were 8 per cent higher than the total for the corresponding period of 1977.

Credits from '*other services*' increased by £39 million to £832 million. Though most sectors showed some growth, earnings from construction work overseas were particularly buoyant.

'Other services' debits fell from £503 million to £496 million, small increases in most sectors being more than offset by a fall of £29 million in payments for services connected with oil and gas development on the UK Continental Shelf. Payments for these services were well down on the level of the third quarter of last year, reflecting both the low level of exploration and the fact that few fields were at that final stage of development which consumes large quantities of imported services.

(ii) Interest, profits and dividends

The surplus on interest, profits and dividends, at £186 million, was much the same as in the second quarter and well above the levels in the previous 12 months.

In the government sector, there was a fall in credits largely due to lower earnings on the official currency reserves. This fall was almost offset by slightly reduced interest payments on both sterling and foreign currency overseas borrowing.

For the private sector and public corporations, credits grew by £68 million. Earnings by UK companies (other than oil companies) on their investments and income from portfolio investment both rose moderately. Banks' net earnings on overseas currency borrowing and lending increased even though market sources suggest that spreads between borrowing and lending rates on new lending remained under pressure; part of the recovery in earnings appears to be due to the lower cost of the banks' reduced net external liability position in the second quarter. On the debits side, which increased by £53 million, foreign companies (except oil companies) increased their earnings on investments in the United Kingdom. Profits of oil companies due abroad on North Sea activities remained at about £100 million as damage to the Brent pipeline and the temporary shutdowns of the Beryl field restricted the growth in production in the third quarter. Profits (after tax) due abroad are also being held down by the growing provision for tax liability. Petrol pump price competition and over-capacity in refining plant both added to depressed profit margins on foreign oil companies' 'downstream activities'. Rising interest rates in the United Kingdom and the United States added considerably to interest payments both by banks on their external sterling liabilities and by companies on their borrowing from banks overseas.

Transfers

The deficit on general government transfers increased by £75 million to £451 million (compared with a quarterly average of £278 million in 1977) while there was a small increase to £70 million in the deficit on private transfers (which averaged £29 million in 1977).

Government transfers debits were £582 million, £125 million higher than in the second quarter. The level of quarterly contributions to the European Communities continues to move erratically with the contribution in the third quarter (at £385 million) £101 million higher than in the previous quarter. Economic grants were £21 million higher at £102 million.

At £131 million, government transfers credits were £50 million higher than in the second quarter owing to higher grants from the European Communities. In the second quarter some categories of receipts fell sharply but these have now more than regained their former levels while other categories continued to increase.

Investment and other capital transactions

Identified investment and other capital transactions were in surplus by £72 million in the third quarter following the large deficit in the second quarter (now estimated to be £1,779 million). A large proportion of the turn-round in the capital account can be attributed to the operations of UK banks in the eurocurrency market. In addition, the relative stability of sterling since April, when it was under some pressure, has meant some inflow of sterling, following a moderate outflow in the second quarter.

Total investment and other capital transactions

TABLE D

	Not seasonally adjusted								
	£ million								
			1977				1978		
	1976	1977	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr
Official long-term capital	− 158	− 291	− 25	− 20	− 17	− 229	− 57	− 14	− 17
Overseas investment in UK public sector[1]	+ 203	+2,182	+ 498	+ 921	+ 289	+ 474	− 3	− 15	− 14
Overseas investment in UK private sector	+2,061	+3,019	+ 929	+ 843	+ 776	+ 471	+1,020	+ 466	+ 415
UK private investment overseas	−2,156	−2,276	− 571	− 822	− 442	− 441	− 682	− 513	− 768
Overseas currency borrowing or lending (net) by UK banks[1]	− 106	+ 384	+ 421	− 706	+ 189	+ 480	+ 115	− 955	+ 328
Changes in external sterling liabilities	−1,152	+1,452	+ 389	− 48	+ 397	+ 714	+ 101	− 387	+ 164
Trade credit[2] and other short-term transactions*	−1,588	− 54	+ 82	− 46	—	− 90	− 402	− 361	− 36
Total investment and other capital transactions	−2,896	+4,416	+1,723	+ 122	+1,192	+1,379	+ 92	−1,779	+ 72
* *of which* UK banks external sterling claims	−1,165	− 491	− 13	− 235	− 131	− 112	− 312	− 366	− 65

[1] Excluding public sector borrowing under the exchange cover scheme which is included under 'Official financing'.
[2] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.

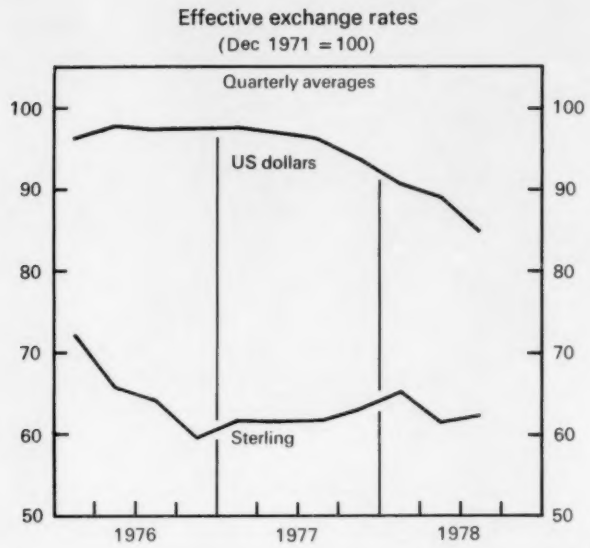
In the UK eurocurrency market (*Overseas currency borrowing or lending (net) by UK banks*) there was a net inflow of £328 million, as UK banks' net external liabilities in overseas currencies increased, almost half of which was used to finance overseas investment by UK companies. This contrasted sharply with the second quarter when there was a massive net outflow. Then, deposits by overseas residents (UK banks' liabilities) increased by just under £2 billion and lending to overseas residents (UK banks' claims) increased by about £3 billion, and with valuation effects thought to have been small, there was an outflow of about £1 billion. This fall in net deposits by overseas residents was partly financed by the banks switching out of sterling, which was probably prompted to some extent by the widening of the covered differential against sterling. It was also financed by a rise in UK residents' net deposits, probably, in part, a result of disinvestment overseas by UK oil companies. The proceeds of the National Westminster Bank's eurobond issue also increased the banks' overseas currency assets, the corresponding liability appearing in inward portfolio investment. In the third quarter, there was little change in the banks' switch position but UK residents' foreign currency deposits have been run down. Some of these deposits have been used for investment overseas.

Sterling balances increased by £164 million. *Exchange reserves in sterling* of overseas monetary authorities remained almost unchanged as a fall in holdings of gilts was offset by an increase in holdings of sterling Treasury bills. Other sterling balances (*other banking and money market liabilities in sterling*) rose by £159 million, almost exactly offsetting the fall in the second quarter.

There was a net inflow of unrelated *export credit* of £18 million compared with an outflow of £345 million in the second quarter. Most of this decline reflects a fall in the level of net lending by UK banks stemming mainly from a substantial net repayment of credit under the ECGD short-term scheme. There was a net repayment of unrelated *import credit* of £128 million compared with a net receipt of £101 million credit under this heading in the previous quarter. There were substantial repayments of both long-term and other import credit.

UK private investment overseas, at £768 million, was over £250 million higher than in the second quarter. Oil and miscellaneous investment overseas was over £250 million whereas in the second quarter there had been net disinvestment of over £300 million. Some of this turnround is probably associated with changes in oil companies' deposits of overseas currencies in UK banks which after being high in the second quarter, were run down in the third (the counterpart of this is in UK banks' transactions in overseas currencies). Offsetting this turnround, direct investment was significantly lower than in the second quarter, mainly due to a small disinvestment in share and loan capital (by a few companies) following a very large investment in the second quarter, over half of which was an investment by one company. Within portfolio investment, net purchases of foreign currency securities were lower than in the first two quarters when net purchases were particularly high because of the effects of the ending of the 25 per cent surrender rule, and the relative attraction of Wall Street. The third quarter investment was largely financed by borrowed funds.

Overseas investment in the UK private sector was £415 million in the third quarter. There was some net disinvestment by foreign oil companies. This was because investment in the Continental Shelf was more than offset by disinvestment on the mainland. Expenditure in the North Sea remained high, though the investment of £140 million was low relative to recent years and this may, amongst other things, reflect a greater recourse to sterling finance by foreign oil companies. The disinvestment on 'downstream activities' resulted mainly from the unwinding of trade credit and the repayment of inter-company loans. Direct investment in the United Kingdom by overseas non-oil companies is estimated to have been £280 million, about 80 per cent of which was financed by unremitted profits. There were also inflows on inter-company accounts. A net investment of £50 million by overseas residents in UK company securities, was mostly accounted for by new



issues of foreign currency bonds. Borrowing from banks etc. overseas by UK companies for use in the United Kingdom and overseas continued to exceed repayments, the net inflow being almost £100 million.

There was a small disinvestment of £14 million recorded under *overseas investment in UK public sector*. For the second quarter in succession there was a reduction in holdings of gilts by private overseas residents. The reduction of £21 million in the third quarter, and £34 million in the second quarter follows the quite exceptional build-up over the last two years of over £1 billion.

Official financing

Repayments of public sector borrowing under the exchange cover scheme exceeded new borrowing by £130 million, continuing the pattern of the previous two quarters. The repayments included a loan by the National Water Council of $300 million which would otherwise have matured in 1981. In September the first $150 million was drawn on the $500 million loan facility extended to the Electricity Council by a syndicated group of Japanese banks (the balance was drawn in October). Sterling drawings from the IMF by other countries reduced UK indebtedness to the Fund by £26 million. These transactions partly offset the surplus on current and capital accounts combined, and the official reserves increased by £54 million to bring the level of the reserves to $16,511 million (£8,365 million at the closing market rate on 29 September).

Exchange rate

In the second quarter there had been some downward pressure on sterling. In the third quarter sterling was generally on the sidelines as the dollar weakened; its effective rate was relatively steady, but, in line with most other currencies, sterling appreciated against the dollar. The sterling/dollar rate stood at $1·8545 at the beginning of July and gradually increased during the quarter, though with fluctuations as confidence in the dollar varied. Mid-way through the quarter it rose to just over $2·00 but closed September at $1·9739. The effective sterling exchange rate rose from 61·4 at the beginning of July to 62·7 at the end of September (21 December 1971 = 100) increasing only a third as much as the dollar rate over the quarter. The average rate for the quarter was $1·9319 (62·4) compared with $1·8354 (61·5) in the previous quarter.

REVISIONS

Visible trade

Regular checks are made on the degree of under-recording of exports. The adjustment had been set at 0·7 per cent of the recorded level of exports from the beginning of 1977. As a result of subsequent monitoring, this adjustment has been reduced to 0·3 per cent from the beginning of 1978. Amongst other revisions, figures for the second quarter of 1978 incorporate the increased levels of exports of fuels and imports of food which are included in the figures published in the latest monthly press notice.

Invisibles

The estimate of the surplus on invisibles in the year 1977 has been increased by £117 million as more information has become available on certain components. Changes have been made to the earlier estimates of the invisible earnings of the UK commodity markets; estimates of the expenditure of overseas students have been increased; previous estimates of interest payments on sterling liabilities have been reduced. On the other hand, the latest survey of the overseas earnings of contractors in the construction industry indicates that the estimates previously included were too high.

The previous estimate of the surplus on invisibles (seasonally adjusted) in the first quarter of 1978 has been reduced by £66 million. In the second quarter, the revisions to various series have been largely offsetting and the surplus has been reduced by £25 million.

The surplus on invisibles of £316 million in the third quarter of 1978 compares with a projection of £225 million given in the press notices for those months which allowed for the higher government contributions to the European Communities but assumed little growth in the overall surplus on other invisibles, an assumption not borne out by the information now available.

Investment and other capital transactions

The previous estimates for the first quarter of 1978 have been little revised but the overall deficit for the second quarter has been increased by £640 million. Additional information on the net liabilities of UK banks in overseas currencies has contributed over £400 million of this revision while the earlier estimate of private direct investment overseas has been increased by £166 million now that more returns have been received under the Overseas Transactions Inquiry.

Central Statistical Office

APPENDIX CONTENTS

	Annual figures from	Quarterly figures from	Table
GENERAL BALANCE OF PAYMENTS			
Summary	1967	1970	1
Current account	1967	1970	2
VISIBLE TRADE			
Visible trade in the balance of payments	1967	1970	3
INVISIBLES			
Invisible transactions	1970	1974	4
General government services and transfers	1970	1974	5
Interest, profits and dividends	1970	1974	6
INVESTMENT AND OTHER CAPITAL TRANSACTIONS			
Investment and other capital transactions	1967	1970	7
Official long-term capital	1972	1975	8
Overseas investment in UK public sector	1972	1975	9
Overseas investment in UK private sector	1972	1975	10
UK private investment overseas	1972	1975	11
Import and export credit	1972	1975	12
Other short-term transactions	1972	1975	13
OFFICIAL FINANCING			
Official financing	1972	1976	14
International Monetary Fund	1972	1976	15
ASSETS AND LIABILITIES			
Official long-term borrowing	1971	1976	16
Official long-term lending	1971	1976	17
Exchange reserves in sterling; and banking and money markets liabilities in sterling to holders other than central monetary institutions	1971	1977	18
External liabilities and claims of UK banks in overseas currencies	1971	1977	19
Official reserves	1971	1977	20
Official financing liabilities and official reserves	1971	1977	21

APPENDIX

United Kingdom balance of payments
Summary

TABLE 1

£ million

	Seasonally adjusted			Not seasonally adjusted								
									Official financing			
	Visible balance	Invisible balance	**Current balance**	Current balance	Capital transfers	Investment and other capital transactions[5]	Balancing item	**Balance for official financing**[6]	Allocation of SDR and gold subscription to IMF	Net transactions with overseas monetary authorities[1]	Foreign currency borrowing by: HM Government[2]	Foreign currency borrowing by: Public sector under ECS	Official reserves[1, 3]
1967	− 567	+ 273	− 294	− 294	—	− 602	+ 225	− 671	—	+ 556[4]	—	—	+ 115
1968	− 682	+ 396	− 286	− 286	—	−1,007	− 117	−1,410	—	+1,296	—	—	+ 114
1969	− 172	+ 635	+ 463	+ 463	—	− 165	+ 389	+ 687	—	− 699	—	+ 56	− 44
1970	− 42	+ 773	+ 731	+ 731	—	+ 577	− 21	+1,287	+133	−1,295	—	—	− 125
1971	+ 261	+ 829	+1,090	+1,090	—	+1,809	+ 247	+3,146	+125	−1,817	—	+ 82	−1,536
1972	− 722	+ 857	+ 135	+ 135	—	− 669	− 731	−1,265	+124	+ 449	—	—	+ 692
1973	−2,383	+1,384	− 999	− 999	−59	+ 165	+ 122	− 771	—	—	—	+ 999	− 228
1974	−5,235	+1,644	−3,591	−3,591	−75	+1,697	+ 323	−1,646	—	—	+644	+1,107	− 105
1975	−3,236	+1,381	−1,855	−1,855	—	+ 278	+ 112	−1,465	—	—	+423	+ 387	+ 655
1976	−3,589	+2,452	−1,137	−1,137	—	−2,896	+ 404	−3,629	—	+ 984	—	+1,792	+ 853
1977	−1,709	+2,115	+ 406	+ 406	—	+4,416	+2,539	+7,361	—	+1,113	+871	+ 243	−9,588
1970 *1*	+ 74	+ 212	+ 286	+ 235	—	+ 466	+ 214	+ 915	+171	−1,010	—	—	− 76
2	− 69	+ 181	+ 112	+ 166	—	+ 227	− 166	+ 227	—	− 193	—	—	− 34
3	− 90	+ 185	+ 95	+ 88	—	− 161	− 129	− 202	—	+ 150	—	—	+ 52
4	+ 43	+ 195	+ 238	+ 242	—	+ 45	+ 60	+ 347	− 38	− 242	—	—	− 67
1971 *1*	− 52	+ 224	+ 172	+ 66	—	+ 578	+ 278	+ 922	+125	− 894	—	+ 51	− 204
2	+ 82	+ 189	+ 271	+ 347	—	+ 345	− 89	+ 603	—	− 508	—	+ 31	− 126
3	+ 174	+ 216	+ 390	+ 382	—	+ 478	− 192	+ 668	—	− 92	—	—	− 576
4	+ 57	+ 200	+ 257	+ 295	—	+ 408	+ 250	+ 953	—	− 323	—	—	− 630
1972 *1*	− 103	+ 222	+ 119	− 20	—	− 7	+ 84	+ 57	+124	+ 10	—	—	− 191
2	− 127	+ 247	+ 120	+ 238	—	− 837	− 446	−1,045	—	+ 999	—	—	+ 46
3	− 303	+ 204	− 99	− 137	—	− 2	+ 60	− 79	—	− 560	—	—	+ 639
4	− 189	+ 184	− 5	+ 54	—	+ 177	− 429	− 198	—	—	—	—	+ 198
1973 *1*	− 341	+ 163	− 178	− 370	−38	+ 113	+ 322	+ 27	—	—	—	+ 45	− 72
2	− 460	+ 363	− 97	− 27	−19	+ 400	− 255	+ 99	—	—	—	+ 281	− 380
3	− 620	+ 329	− 291	− 256	− 1	− 602	+ 241	− 618	—	—	—	+ 364	+ 254
4	− 962	+ 529	− 433	− 346	− 1	+ 254	− 186	− 279	—	—	—	+ 309	− 30
1974 *1*	−1,250	+ 451	− 799	− 925	—	+ 523	+ 58	− 339	—	—	—	+ 306	+ 33
2	−1,372	+ 454	− 918	− 910	−29	+ 709	− 89	− 319	—	—	—	+ 435	− 116
3	−1,251	+ 387	− 864	− 839	−40	+ 531	+ 348	—	—	—	—	+ 189	− 189
4	−1,362	+ 352	−1,010	− 917	− 6	− 71	+ 6	− 988	—	—	+644	+ 177	+ 167
1975 *1*	− 917	+ 323	− 594	− 700	—	+ 111	+ 263	− 326	—	—	+423	+ 45	− 142
2	− 674	+ 313	− 361	− 408	—	+ 139	− 303	− 572	—	—	—	+ 162	+ 410
3	−1,009	+ 333	− 676	− 635	—	+ 279	+ 143	− 213	—	—	—	+ 43	+ 170
4	− 636	+ 412	− 224	− 112	—	− 251	+ 9	− 354	—	—	—	+ 137	+ 217
1976 *1*	− 550	+ 471	− 79	− 106	—	− 519	− 53	− 678	—	+ 580	—	+ 276	− 178
2	− 949	+ 634	− 315	− 388	—	−1,777	+ 209	−1,956	—	+1,019	—	+ 583	+ 354
3	−1,132	+ 715	− 417	− 368	—	− 644	+ 150	− 862	—	+ 309	—	+ 492	+ 61
4	− 958	+ 632	− 326	− 275	—	+ 44	+ 98	− 133	—	− 924	—	+ 441	+ 616
1977 *1*	− 973	+ 493	− 480	− 518	—	+1,723	+ 708	+1,913	—	+ 682	+584	+ 18	−3,197
2	− 762	+ 482	− 280	− 280	—	+ 122	+1,066	+ 908	—	+ 217	—	+ 33	−1,158
3	+ 31	+ 544	+ 575	+ 602	—	+1,192	+ 814	+2,608	—	+ 214	+287	+ 118	−3,227
4	− 5	+ 596	+ 591	+ 602	—	+1,379	− 49	+1,932	—	—	—	+ 74	−2,006
1978 *1*	− 642	+ 229	− 413	− 554	—	+ 92	+ 635	+ 173	—	—	—	− 219	+ 46
2	− 182	+ 308	+ 126	+ 213	—	−1,779	+ 72	−1,494	—	− 505	+191	− 218	+2,026
3	− 342	+ 316	− 26	− 3	—	+ 72	+ 141	+ 210	—	− 26	—	− 130	− 54

[1] From July 1972, transactions with the IMF affecting the United Kingdom reserve position in the fund are included as changes in the official reserves.
[2] Drawings on two euro-dollar facilities for HM government to borrow $2,500 million and $1,500 million, and a $350 million bond issue in New York.
[3] Drawing on, +/addition to, −.
[4] Includes transfer of dollar portfolio to reserves.
[5] Includes EEA loss on forward commitments.
[6] Balance of current and capital transactions, including unidentified transactions, covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDR's.

Current account

TABLE 2

£ million

Not seasonally adjusted

	Visible trade			Balance on invisibles: Services			Balance on invisibles: Interest, profits and dividends		Balance on invisibles: Transfers			
	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	General government	Private sector and public corporations	Balance of goods and services	General government	Private sector and public corporations	General government	Private	Invisible balance	Current balance
1967	5,241	5,808	− 567	−274	+ 400	− 441	−178	+ 556	− 188	− 43	+ 273	− 294
1968	6,433	7,115	− 682	−287	+ 588	− 381	−241	+ 574	− 179	− 59	+ 396	− 286
1969	7,269	7,441	− 172	−290	+ 648	+ 186	−340	+ 838	− 177	− 44	+ 635	+ 463
1970	8,121	8,163	− 42	−309	+ 720	+ 369	−269	+ 825	− 177	− 17	+ 773	+ 731
1971	9,060	8,799	+ 261	−315	+ 850	+ 796	−204	+ 709	− 205	− 6	+ 829	+1,090
1972	9,450	10,172	− 722	−351	+ 937	− 136	−142	+ 676	− 210	− 53	+ 857	+ 135
1973	12,115	14,498	−2,383	−409	+1,031	−1,761	−199	+1,419	− 359	− 99	+1,384	− 999
1974	16,538	21,773	−5,235	−538	+1,341	−4,432	−352	+1,634	− 320	−121	+1,644	−3,591
1975	19,463	22,699	−3,236	−620	+1,771	−2,085	−514	+1,277	− 379	−154	+1,381	−1,855
1976	25,424	29,013	−3,589	−757	+2,739	−1,607	−648	+1,963	− 792	− 53	+2,452	−1,137
1977	32,182	33,891	−1,709	−782	+3,638	+1,147	−685	+1,169	−1,111	−114	+2,115	+ 406
1970 *1*	1,967	1,943	+ 24	− 70	+ 180	+ 134	− 68	+ 226	− 54	− 3	+ 211	+ 235
2	2,075	2,135	− 60	− 78	+ 183	+ 45	− 55	+ 221	− 42	− 3	+ 226	+ 166
3	1,842	1,954	− 112	− 81	+ 176	− 17	− 51	+ 197	− 37	− 4	+ 200	+ 88
4	2,237	2,131	+ 106	− 80	+ 181	+ 207	− 95	+ 181	− 44	− 7	+ 136	+ 242
1971 *1*	2,032	2,183	− 151	− 68	+ 179	− 40	− 50	+ 209	− 58	+ 5	+ 217	+ 66
2	2,375	2,249	+ 126	− 77	+ 201	+ 250	− 45	+ 191	− 46	− 3	+ 221	+ 347
3	2,261	2,106	+ 155	− 89	+ 221	+ 287	− 40	+ 184	− 47	− 2	+ 227	+ 382
4	2,392	2,261	+ 131	− 81	+ 249	+ 299	− 69	+ 125	− 54	− 6	+ 164	+ 295
1972 *1*	2,239	2,466	− 227	− 85	+ 224	− 88	− 33	+ 176	− 67	− 8	+ 207	− 20
2	2,453	2,489	− 36	− 74	+ 245	+ 135	− 8	+ 176	− 52	− 13	+ 274	+ 238
3	1,984	2,319	− 335	− 96	+ 209	− 222	− 37	+ 185	− 49	− 14	+ 198	− 137
4	2,774	2,898	− 124	− 96	+ 259	+ 39	− 64	+ 139	− 42	− 18	+ 178	+ 54
1973 *1*	2,754	3,273	− 519	− 94	+ 218	− 395	− 56	+ 208	− 102	− 25	+ 149	− 370
2	2,990	3,390	− 400	− 95	+ 253	− 242	− 28	+ 397	− 115	− 39	+ 373	− 27
3	2,979	3,568	− 589	−113	+ 244	− 458	− 47	+ 336	− 73	− 14	+ 333	− 256
4	3,392	4,267	− 875	−107	+ 316	− 666	− 68	+ 478	− 69	− 21	+ 529	− 346
1974 *1*	3,610	4,949	−1,339	−111	+ 265	−1,185	− 77	+ 469	− 106	− 26	+ 414	− 925
2	4,236	5,593	−1,357	−142	+ 326	−1,173	− 70	+ 433	− 76	− 24	+ 447	− 910
3	4,197	5,458	−1,261	−138	+ 378	−1,021	− 97	+ 367	− 60	− 28	+ 422	− 839
4	4,495	5,773	−1,278	−147	+ 372	−1,053	−108	+ 365	− 78	− 43	+ 361	− 917
1975 *1*	4,502	5,509	−1,007	−128	+ 400	− 735	−120	+ 268	− 87	− 26	+ 307	− 700
2	4,845	5,558	− 713	−151	+ 437	− 427	−103	+ 267	− 98	− 47	+ 305	− 408
3	4,674	5,672	− 998	−173	+ 430	− 741	−146	+ 362	− 75	− 35	+ 363	− 635
4	5,442	5,960	− 518	−168	+ 504	− 182	−145	+ 380	− 119	− 46	+ 406	− 112
1976 *1*	5,717	6,277	− 560	−161	+ 612	− 109	−134	+ 393	− 223	− 33	+ 454	− 106
2	6,312	7,268	− 956	−204	+ 620	− 540	−159	+ 479	− 161	− 7	+ 568	− 388
3	6,212	7,339	−1,127	−171	+ 736	− 562	−181	+ 564	− 184	− 5	+ 759	− 368
4	7,183	8,129	− 946	−221	+ 771	− 396	−174	+ 527	− 224	− 8	+ 671	− 275
1977 *1*	7,604	8,524	− 920	−186	+ 763	− 343	−186	+ 356	− 316	− 29	+ 402	− 518
2	8,113	8,843	− 730	−206	+ 905	− 31	−208	+ 242	− 271	− 12	+ 450	− 280
3	8,219	8,272	− 53	−196	+ 996	+ 747	−142	+ 316	− 294	− 25	+ 655	+ 602
4	8,246	8,252	− 6	−194	+ 974	+ 774	−149	+ 255	− 230	− 48	+ 608	+ 602
1978 *1*	8,283	8,944	− 661	−195	+ 791	− 65	− 75	+ 226	− 545	− 95	+ 107	− 554
2	9,240	9,291	− 51	−224	+ 784	+ 509	−146	+ 265	− 351	− 64	+ 264	+ 213
3	8,544	8,972	− 428	−205	+ 870	+ 237	− 93	+ 340	− 417	− 70	+ 425	− 3

Current account

TABLE 2 (*continued*)

£ million

Seasonally adjusted

	Visible trade			Balance on invisibles			Balance on invisibles					
				Services			Interest, profits and dividends					
	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	General government	Private sector and public corporations	Balance of goods and services	General government	Private sector and public corporations	Transfers: General government	Transfers: Private	Invisible balance	Current balance
1967	5,241	5,808	− 567	−274	+ 400	− 441	−178	+ 556	− 188	− 43	+ 273	− 294
1968	6,433	7,115	− 682	−287	+ 588	− 381	−241	+ 574	− 179	− 59	+ 396	− 286
1969	7,269	7,441	− 172	−290	+ 648	+ 186	−340	+ 838	− 177	− 44	+ 635	+ 463
1970	8,121	8,163	− 42	−309	+ 720	+ 369	−269	+ 825	− 177	− 17	+ 773	+ 731
1971	9,060	8,799	+ 261	−315	+ 850	+ 796	−204	+ 709	− 205	− 6	+ 829	+1,090
1972	9,450	10,172	− 722	−351	+ 937	− 136	−142	+ 676	− 210	− 53	+ 857	+ 135
1973	12,115	14,498	−2,383	−409	+1,031	−1,761	−199	+1,419	− 359	− 99	+1,384	− 999
1974	16,538	21,773	−5,235	−538	+1,341	−4,432	−352	+1,634	− 320	−121	+1,644	−3,591
1975	19,463	22,699	−3,236	−620	+1,771	−2,085	−514	+1,277	− 379	−154	+1,381	−1,855
1976	25,424	29,013	−3,589	−757	+2,739	−1,607	−648	+1,963	− 792	− 53	+2,452	−1,137
1977	32,182	33,891	−1,709	−782	+3,638	+1,147	−685	+1.169	−1,111	−114	+2,115	+ 406
1970 *1*	2,010	1,936	+ 74	− 77	+ 198	+ 195	− 79	+ 216	− 43	− 3	+ 212	+ 286
2	2,006	2,075	− 69	− 78	+ 162	+ 15	− 67	+ 209	− 42	− 3	+ 181	+ 112
3	1,930	2,020	− 90	− 76	+ 180	+ 14	− 61	+ 189	− 43	− 4	+ 185	+ 95
4	2,175	2,132	+ 43	− 78	+ 180	+ 145	− 62	+ 211	− 49	− 7	+ 195	+ 238
1971 *1*	2,075	2,127	− 52	− 74	+ 201	+ 75	− 61	+ 196	− 43	+ 5	+ 224	+ 172
2	2,321	2,239	+ 82	− 78	+ 185	+ 189	− 54	+ 185	− 46	− 3	+ 189	+ 271
3	2,350	2,176	+ 174	− 83	+ 226	+ 317	− 50	+ 178	− 53	− 2	+ 216	+ 390
4	2,314	2,257	+ 57	− 80	+ 238	+ 215	− 39	+ 150	− 63	− 6	+ 200	+ 257
1972 *1*	2,258	2,361	− 103	− 85	+ 237	+ 49	− 31	+ 160	− 51	− 8	+ 222	+ 119
2	2,343	2,470	− 127	− 80	+ 247	+ 40	− 30	+ 176	− 53	− 13	+ 247	+ 120
3	2,115	2,418	− 303	− 89	+ 222	− 170	− 34	+ 177	− 58	− 14	+ 204	− 99
4	2,734	2,923	− 189	− 97	+ 231	− 55	− 47	+ 163	− 48	− 18	+ 184	− 5
1973 *1*	2,753	3,094	− 341	−105	+ 226	− 220	− 54	+ 204	− 83	− 25	+ 163	− 178
2	2,901	3,361	− 460	− 95	+ 260	− 295	− 49	+ 402	− 116	− 39	+ 363	− 97
3	3,147	3,767	− 620	−112	+ 257	− 475	− 43	+ 323	− 82	− 14	+ 329	− 291
4	3,314	4,276	− 962	− 97	+ 288	− 771	− 53	+ 490	− 78	− 21	+ 529	− 433
1974 *1*	3,618	4,868	−1,250	−126	+ 283	−1,093	− 74	+ 472	− 78	− 26	+ 451	− 799
2	4,152	5,524	−1,372	−136	+ 340	−1,168	− 90	+ 436	− 72	− 24	+ 454	− 918
3	4,393	5,644	−1,251	−136	+ 378	−1,009	− 89	+ 351	− 89	− 28	+ 387	− 864
4	4,375	5,737	−1,362	−140	+ 340	−1,162	− 99	+ 375	− 81	− 43	+ 352	−1,010
1975 *1*	4,674	5,591	− 917	−143	+ 379	− 681	−120	+ 282	− 49	− 26	+ 323	− 594
2	4,601	5,275	− 674	−144	+ 442	− 376	−115	+ 276	− 99	− 47	+ 313	− 361
3	4,845	5,854	−1,009	−171	+ 430	− 750	−147	+ 339	− 83	− 35	+ 333	− 676
4	5,343	5,979	− 636	−162	+ 520	− 278	−132	+ 380	− 148	− 46	+ 412	− 224
1976 *1*	5,654	6,204	− 550	−181	+ 563	− 168	−125	+ 404	− 157	− 33	+ 471	− 79
2	6,160	7,109	− 949	−198	+ 671	− 476	−158	+ 491	− 165	− 7	+ 634	− 315
3	6,513	7,645	−1,132	−165	+ 747	− 550	−175	+ 535	− 222	− 5	+ 715	− 417
4	7,097	8,055	− 958	−213	+ 758	− 413	−190	+ 533	− 248	− 8	+ 632	− 326
1977 *1*	7,512	8,485	− 973	−207	+ 814	− 366	−204	+ 363	− 244	− 29	+ 493	− 480
2	7,927	8,689	− 762	−201	+ 884	− 79	−189	+ 275	− 275	− 12	+ 482	− 280
3	8,556	8,525	+ 31	−192	+ 940	+ 779	−152	+ 282	− 309	− 25	+ 544	+ 575
4	8,187	8,192	− 5	−182	+1,000	+ 813	−140	+ 249	− 283	− 48	+ 596	+ 591
1978 *1*	8,380	9,022	− 642	−210	+ 861	+ 9	−108	+ 230	− 449	− 95	+ 229	− 413
2	8,743	8,925	− 182	−221	+ 780	+ 377	−112	+ 301	− 376	− 64	+ 308	+ 126
3	9,071	9,413	− 342	−193	+ 844	+ 309	−118	+ 304	− 451	− 70	+ 316	− 26

Visible trade in the balance of payments

TABLE 3

		£ million						1975 = 100				
		Seasonally adjusted						Seasonally adjusted		Not seasonally adjusted		
		Exports			Imports			Volume indices		Unit value indices		
		Overseas Trade Statistics (f.o.b.)	Valuation and coverage adjustments	Balance of payments (f.o.b.)	Overseas Trade Statistics (c.i.f.)	Valuation adjustments[1]	Coverage adjustments	Balance of payments (f.o.b.)	Exports	Imports	Exports	Imports	Terms of trade[2]
1967		5,244	− 3	5,241	6,439	− 654	+ 23	5,808	61·6	70·0	42·9	35·0	122·7
1968		6,442	− 9	6,433	7,900	− 763	− 22	7,115	70·0	77·1	46·3	39·3	117·8
1969		7,352	− 83	7,269	8,317	− 805	− 71	7,441	76·9	77·8	47·8	40·5	118·2
1970		8,170	− 49	8,121	9,163	− 884	−116	8,163	80·1	82·5	51·0	42·3	120·4
1971		9,289	−229	9,060	9,980	− 979	−202	8,799	85·4	85·7	53·9	44·3	121·7
1972		9,906	−456	9,450	11,301	−1,012	−117	10,172	85·2	95·3	56·9	46·7	121·8
1973		12,657	−542	12,115	16,067	−1,326	−243	14,498	97·8	108·7	64·0	59·6	107·4
1974		16,820	−282	16,538	23,492	−1,543	−176	21,773	104·3	109·7	81·7	87·4	93·5
1975		20,111	−648	19,463	24,423	−1,470	−254	22,699	100·0	100·0	100·0	100·0	100·0
1976		26,024	−600	25,424	31,569	−1,926	−630	29,013	109·8	105·7	120·7	121·6	99·3
1977		33,308	−1,126	32,182	36,996	−2,107	−998	33,891	118·9	107·1	142·4	141·4	100·7
1970	*1*	2,010	—	2,010	2,161	− 199	− 26	1,936	80·8	78·8	50·0	42·0	119·0
	2	2,014	− 8	2,006	2,314	− 219	− 20	2,075	79·9	83·9	50·6	42·3	119·4
	3	1,958	− 28	1,930	2,274	− 227	− 27	2,020	75·3	81·5	51·6	42·5	121·4
	4	2,188	− 13	2,175	2,414	− 239	− 43	2,132	84·5	85·8	51·9	42·5	122·0
1971	*1*	2,084	− 9	2,075	2,406	− 245	− 34	2,127	79·8	84·8	52·5	42·9	122·3
	2	2,359	− 38	2,321	2,517	− 252	− 26	2,239	88·3	86·6	53·4	44·6	119·6
	3	2,419	− 69	2,350	2,496	− 242	− 78	2,176	87·8	84·2	54·5	45·0	121·2
	4	2,427	−113	2,314	2,561	− 240	− 64	2,257	85·6	87·4	55·3	44·6	123·9
1972	*1*	2,381	−123	2,258	2,643	− 232	− 50	2,361	83·6	90·9	55·5	44·9	123·6
	2	2,453	−110	2,343	2,747	− 254	− 23	2,470	85·5	95·2	56·1	45·4	123·7
	3	2,213	− 98	2,115	2,696	− 243	− 35	2,418	75·4	89·8	57·8	47·5	121·8
	4	2,859	−125	2,734	3,215	− 283	− 9	2,923	96·2	105·1	58·2	49·2	118·3
1973	*1*	2,872	−119	2,753	3,399	− 288	− 17	3,094	94·1	104·9	60·5	52·0	116·3
	2	3,030	−129	2,901	3,753	− 321	− 71	3,361	96·2	106·5	62·3	56·0	111·4
	3	3,275	−128	3,147	4,220	− 342	−111	3,767	99·8	109·5	64·9	62·1	104·5
	4	3,480	−166	3,314	4,695	− 375	− 44	4,276	101·2	114·0	68·1	68·2	99·9
1974	*1*	3,682	− 64	3,618	5,276	− 391	− 17	4,868	101·0	108·2	74·1	78·3	94·6
	2	4,180	− 28	4,152	6,009	− 397	− 88	5,524	106·2	111·3	80·3	87·8	91·4
	3	4,504	−111	4,393	6,078	− 388	− 46	5,644	107·6	110·7	84·1	90·4	93·1
	4	4,454	− 79	4,375	6,129	− 367	− 25	5,737	102·4	108·5	88·2	92·9	94·9
1975	*1*	4,802	−128	4,674	6,002	− 349	− 62	5,591	100·9	102·0	95·2	96·4	98·7
	2	4,736	−135	4,601	5,660	− 348	− 37	5,275	97·0	95·7	97·5	97·0	100·5
	3	5,013	−168	4,845	6,281	− 384	− 43	5,854	98·0	102·5	101·6	100·8	100·8
	4	5,560	−217	5,343	6,480	− 389	−112	5,979	104·1	99·7	105·7	105·7	100·0
1976	*1*	5,784	−130	5,654	6,763	− 417	−142	6,204	106·2	100·2	110·7	109·8	100·8
	2	6,303	−143	6,160	7,753	− 478	−166	7,109	109·7	106·3	116·9	118·4	98·8
	3	6,617	−104	6,513	8,208	− 513	− 50	7,645	110·1	109·0	123·9	124·4	99·6
	4	7,320	−223	7,097	8,845	− 518	−272	8,055	113·4	107·1	131·3	133·7	98·2
1977	*1*	7,716	−204	7,512	9,169	− 563	−121	8,485	115·8	109·4	135·7	137·2	98·9
	2	8,272	−345	7,927	9,601	− 576	−336	8,689	118·0	109·6	141·4	141·0	100·3
	3	8,829	−273	8,556	9,239	− 511	−203	8,525	124·4	106·6	145·2	143·7	101·0
	4	8,491	−304	8,187	8,987	− 457	−338	8,192	117·6	102·7	147·3	143·8	102·4
1978	*1*	8,854	−474	8,380	9,870	− 531	−317	9,022	119·5	114·1	149·5	142·6	104·8
	2	9,097	−354	8,743	10,221	− 543	−753	8,925	122·0	110·3	153·7	147·0	104·6
	3	9,560	−489	9,071	10,471	− 582	−476	9,413	125·3	116·1	157·1	149·2	105·3

[1] Largely freight and insurance: see details in Table 2.1 of *United Kingdom Balance of Payments 1967–77*.
[2] Export unit value index as a percentage of the import unit value index.

Invisible transactions

TABLE 4

£ million

	Services: credits							Services: debits						
	General government	Private sector and public corporations					Total services credits	General government	Private sector and public corporations				Total services debits	Balance of services
		Sea transport	Civil aviation	Travel	Financial services	Other services			Sea transport	Civil aviation	Travel	Other services		
1970	51	1,361	316	432	439	771	3,370	360	1,437	266	382	514	2,959	+ 411
1971	59	1,621	354	486	471	875	3,866	374	1,673	297	439	548	3,331	+ 535
1972	72	1,613	410	546	529	988	4,158	423	1,688	333	527	601	3,572	+ 586
1973	104	2,061	480	681	601	1,162	5,089	513	2,160	405	682	707	4,467	+ 622
1974	110	2,674	625	837	777	1,417	6,440	648	2,796	529	683	981	5,637	+ 803
1975	139	2,659	780	1,123	1,014	1,765	7,480	759	2,603	664	878	1,425	6,329	+1,151
1976	215	3,247	1,051	1,633	1,287	2,311	9,744	972	3,222	810	1,006	1,752	7,762	+1,982
1977	240	3,466	1,203	2,179	1,426	2,809	11,323	1,022	3,445	959	1,102	1,939	8,467	+2,856
Unadjusted														
1974 *1*	40	621	119	123	174	337	1,414	151	692	115	95	207	1,260	+ 154
2	21	694	149	195	173	346	1,578	163	719	121	160	231	1,394	+ 184
3	22	689	204	313	234	346	1,808	160	690	153	300	265	1,568	+ 240
4	27	670	153	206	196	388	1,640	174	695	140	128	278	1,415	+ 225
1975 *1*	47	636	155	173	222	409	1,642	175	623	147	122	303	1,370	+ 272
2	33	664	184	245	253	432	1,811	184	644	153	205	339	1,525	+ 286
3	29	676	247	451	244	429	2,076	202	657	198	386	376	1,819	+ 257
4	30	683	194	254	295	495	1,951	198	679	166	165	407	1,615	+ 336
1976 *1*	60	699	191	211	317	535	2,013	221	695	157	139	350	1,562	+ 451
2	34	772	259	351	336	566	2,318	238	779	199	243	443	1,902	+ 416
3	73	853	342	656	306	564	2,794	244	831	242	415	497	2,229	+ 565
4	48	923	259	415	328	646	2,619	269	917	212	209	462	2,069	+ 550
1977 *1*	64	866	240	332	273	678	2,453	250	880	195	169	382	1,876	+ 577
2	41	894	301	496	318	708	2,758	247	869	239	275	429	2,059	+ 699
3	61	888	369	850	405	674	3,247	257	855	285	439	611	2,447	+ 800
4	74	818	293	501	430	749	2,865	268	841	240	219	517	2,085	+ 780
1978 *1*	77	768	278	346	338	775	2,582	272	847	223	214	430	1,986	+ 596
2	67	819	337	506	334	804	2,867	291	917	264	338	497	2,307	+ 560
3	84	821	467	868	355	782	3,377	289	870	353	667	533	2,712	+ 665
Seasonally adjusted														
1974 *1*	26	634	146	190	176	331	1,503	152	691	131	160	212	1,346	+ 157
2	29	699	148	206	173	344	1,599	165	718	121	159	232	1,395	+ 204
3	24	681	159	211	231	362	1,668	160	702	131	173	260	1,426	+ 242
4	31	660	172	230	197	380	1,670	171	685	146	191	277	1,470	+ 200
1975 *1*	33	648	190	257	206	402	1,736	176	625	169	204	326	1,500	+ 236
2	41	668	181	271	251	428	1,840	185	640	153	214	350	1,542	+ 298
3	31	669	193	299	238	450	1,880	202	667	169	226	357	1,621	+ 259
4	34	674	216	296	319	485	2,024	196	671	173	234	392	1,666	+ 358
1976 *1*	42	718	232	323	304	525	2,144	223	700	180	236	423	1,762	+ 382
2	42	779	258	377	349	557	2,362	240	777	199	245	428	1,889	+ 473
3	79	843	273	452	310	594	2,551	244	840	208	242	435	1,969	+ 582
4	52	907	288	481	324	635	2,687	265	905	223	283	466	2,142	+ 545
1977 *1*	45	891	293	508	311	662	2,710	252	889	224	278	460	2,103	+ 607
2	48	895	304	524	303	700	2,774	249	865	240	275	462	2,091	+ 683
3	65	865	284	572	380	714	2,880	257	864	243	256	512	2,132	+ 748
4	82	815	322	575	432	733	2,959	264	827	252	293	505	2,141	+ 818
1978 *1*	61	792	328	528	407	757	2,873	271	853	256	354	488	2,222	+ 651
2	75	810	335	548	322	793	2,883	296	917	265	343	503	2,324	+ 559
3	94	804	374	560	349	832	3,013	287	882	300	397	496	2,362	+ 651

Invisible transactions

TABLE 4 (*continued*)

£ million

	Interest, profits and dividends					General government transfers			Private transfers			Total invisibles		
	Credits		Debits											
	General government	Private sector etc[1]	General government	Private sector etc[1]	Balance	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance
1970	54	1,392	323	567	+ 556	—	177	— 177	214	231	— 17	5,030	4,257	+ 773
1971	91	1,388	295	679	+ 505	—	205	— 205	228	234	— 6	5,573	4,744	+ 829
1972	156	1,576	298	900	+ 534	—	210	— 210	245	298	— 53	6,135	5,278	+ 857
1973	176	2,613	375	1,194	+1,220	63	422	— 359	299	398	— 99	8,240	6,856	+1,384
1974	237	2,906	589	1,272	+1,282	130	450	— 320	333	454	—121	10,046	8,402	+1,644
1975	266	2,566	780	1,289	+ 763	363	742	— 379	349	503	—154	11,024	9,643	+1,381
1976	253	3,650	901	1,687	+1,315	251	1,043	— 792	456	509	— 53	14,354	11,902	+2,452
1977	411	3,689	1,096	2,520	+ 484	292	1,403	—1,111	500	614	—114	16,215	14,100	+2,115
Unadjusted														
1974 *1*	53	813	130	344	+ 392	24	130	— 106	80	106	— 26	2,384	1,970	+ 414
2	53	753	123	320	+ 363	26	102	— 76	80	104	— 24	2,490	2,043	+ 447
3	56	631	153	264	+ 270	26	86	— 60	84	112	— 28	2,605	2,183	+ 422
4	75	709	183	344	+ 257	54	132	— 78	89	132	— 43	2,567	2,206	+ 361
1975 *1*	58	621	178	353	+ 148	106	193	— 87	84	110	— 26	2,511	2,204	+ 307
2	98	619	201	352	+ 164	78	176	— 98	88	135	— 47	2,694	2,389	+ 305
3	49	616	195	254	+ 216	93	168	— 75	88	123	— 35	2,922	2,559	+ 363
4	61	710	206	330	+ 235	86	205	— 119	89	135	— 46	2,897	2,491	+ 406
1976 *1*	68	802	202	409	+ 259	59	282	— 223	113	146	— 33	3,055	2,601	+ 454
2	75	887	234	408	+ 320	77	238	— 161	113	120	— 7	3,470	2,902	+ 568
3	54	943	235	379	+ 383	56	240	— 184	112	117	— 5	3,959	3,200	+ 759
4	56	1,018	230	491	+ 353	59	283	— 224	118	126	— 8	3,870	3,199	+ 671
1977 *1*	59	930	245	574	+ 170	77	393	— 316	116	145	— 29	3,635	3,233	+ 402
2	95	957	303	715	+ 34	60	331	— 271	123	135	— 12	3,993	3,543	+ 450
3	110	900	252	584	+ 174	62	356	— 294	128	153	— 25	4,447	3,792	+ 655
4	147	902	296	647	+ 106	93	323	— 230	133	181	— 48	4,140	3,532	+ 608
1978 *1*	189	849	264	623	+ 151	88	633	— 545	130	225	— 95	3,838	3,731	+ 107
2	217	976	363	711	+ 119	81	432	— 351	140	204	— 64	4,281	4,017	+ 264
3	185	1,010	278	670	+ 247	131	548	— 417	140	210	— 70	4,843	4,418	+ 425
Seasonally adjusted														
1974 *1*	55	821	129	349	+ 398	24	102	— 78	80	106	— 26	2,483	2,032	+ 451
2	47	744	137	308	+ 346	26	98	— 72	80	104	— 24	2,496	2,042	+ 454
3	60	641	149	290	+ 262	26	115	— 89	84	112	— 28	2,479	2,092	+ 387
4	75	700	174	325	+ 276	54	135	— 81	89	132	— 43	2,588	2,236	+ 352
1975 *1*	63	639	183	357	+ 162	106	155	— 49	84	110	— 26	2,628	2,305	+ 323
2	84	603	199	327	+ 161	78	177	— 99	88	135	— 47	2,693	2,380	+ 313
3	55	632	202	293	+ 192	93	176	— 83	88	123	— 35	2,748	2,415	+ 333
4	64	692	196	312	+ 248	86	234	— 148	89	135	— 46	2,955	2,543	+ 412
1976 *1*	74	831	199	427	+ 279	59	216	— 157	113	146	— 33	3,221	2,750	+ 471
2	59	865	217	374	+ 333	77	242	— 165	113	120	— 7	3,476	2,842	+ 634
3	61	962	236	427	+ 360	56	278	— 222	112	117	— 5	3,742	3,027	+ 715
4	59	992	249	459	+ 343	59	307	— 248	118	126	— 8	3,915	3,283	+ 632
1977 *1*	65	967	269	604	+ 159	77	321	— 244	116	145	— 29	3,935	3,442	+ 493
2	81	933	270	658	+ 86	60	335	— 275	123	135	— 12	3,971	3,489	+ 482
3	115	918	267	636	+ 130	62	371	— 309	128	153	— 25	4,103	3 559	+ 544
4	150	871	290	622	+ 109	93	376	— 283	133	181	— 48	4,206	3,610	+ 596
1978 *1*	194	873	302	643	+ 122	88	537	— 449	130	225	— 95	4,158	3,929	+ 229
2	207	962	319	661	+ 189	81	457	— 376	140	204	— 64	4,273	3,965	+ 308
3	189	1,030	307	726	+ 186	131	582	— 451	140	210	— 70	4,503	4,187	+ 316

[1] Including public corporations.

General government services and transfers

TABLE 5

£ million

		Credits					Debits									
		Services			Transfers		Services			Transfers						
		EEC institutions	Military and other	Total services	EEC institutions	Total credits	Military	Administrative, diplomatic, etc.	Total services	Economic grants	Subscriptions and contributions to international organisations: EEC	Subscriptions and contributions to international organisations: Other	Other transfers	Total transfers	Total debits	Balance
1970		—	51	51	—	51	301	59	360	85	—	54	38	177	537	— 486
1971		—	59	59	—	59	315	59	374	103	—	63	39	205	579	— 520
1972		—	72	72	—	72	350	73	423	100	—	60	50	210	633	— 561
1973		13	91	104	63	167	424	89	513	106	187	75	54	422	935	— 768
1974		19	91	110	130	240	551	97	648	118	186	85	61	450	1,098	— 858
1975		32	107	139	363	502	645	114	759	166	350	149	77	742	1,501	— 999
1976		44	171	215	251	466	836	136	972	276	474	194	99	1,043	2,015	—1,549
1977		76	164	240	292	532	881	141	1,022	290	750	244	119	1,403	2,425	—1,893
Unadjusted																
1974	*1*	4	36	40	24	64	129	22	151	47	47	20	16	130	281	— 217
	2	5	16	21	26	47	138	25	163	20	38	30	14	102	265	— 218
	3	2	20	22	26	48	136	24	160	24	29	18	15	86	246	— 198
	4	8	19	27	54	81	148	26	174	27	72	17	16	132	306	— 225
1975	*1*	5	42	47	106	153	149	26	175	62	66	44	21	193	368	— 215
	2	9	24	33	78	111	155	29	184	26	95	36	19	176	360	— 249
	3	8	21	29	93	122	173	29	202	34	88	27	19	168	370	— 248
	4	10	20	30	86	116	168	30	198	44	101	42	18	205	403	— 287
1976	*1*	8	52	60	59	119	189	32	221	118	95	44	25	282	503	— 384
	2	11	23	34	77	111	204	34	238	38	128	49	23	238	476	— 365
	3	11	62	73	56	129	211	33	244	56	108	51	25	240	484	— 355
	4	14	34	48	59	107	232	37	269	64	143	50	26	283	552	— 445
1977	*1*	17	47	64	77	141	217	33	250	108	177	76	32	393	643	— 502
	2	18	23	41	60	101	211	36	247	48	185	70	28	331	578	— 477
	3	21	40	61	62	123	222	35	257	56	217	53	30	356	613	— 490
	4	20	54	74	93	167	231	37	268	78	171	45	29	323	591	— 424
1978	*1*	20	57	77	88	165	236	36	272	133	383	78	39	633	905	— 740
	2	21	46	67	81	148	252	39	291	57	272	69	34	432	723	— 575
	3	24	60	84	131	215	252	37	289	82	381	49	36	548	837	— 622
Seasonally adjusted																
1974	*1*	4	22	26	24	50	130	22	152	27	41	19	15	102	254	— 204
	2	5	24	29	26	55	141	24	165	30	32	22	14	98	263	— 208
	3	2	22	24	26	50	135	25	160	30	48	22	15	115	275	— 225
	4	8	23	31	54	85	145	26	171	31	65	22	17	135	306	— 221
1975	*1*	5	28	33	106	139	149	27	176	35	63	38	19	155	331	— 192
	2	9	32	41	78	119	157	28	185	38	92	27	20	177	362	— 243
	3	8	23	31	93	124	173	29	202	41	85	31	19	176	378	— 254
	4	10	24	34	86	120	166	30	196	52	110	53	19	234	430	— 310
1976	*1*	8	34	42	59	101	190	33	223	69	90	35	22	216	439	— 338
	2	11	31	42	77	119	207	33	240	57	123	38	24	242	482	— 363
	3	11	68	79	56	135	210	34	244	72	123	58	25	278	522	— 387
	4	14	38	52	59	111	229	36	265	78	138	63	28	307	572	— 461
1977	*1*	17	28	45	77	122	218	34	252	61	169	63	28	321	573	— 451
	2	18	30	48	60	108	214	35	249	68	178	60	29	335	584	— 476
	3	21	44	65	62	127	221	36	257	69	209	62	31	371	628	— 501
	4	20	62	82	93	175	228	36	264	92	194	59	31	376	640	— 465
1978	*1*	20	41	61	88	149	234	37	271	77	361	65	34	537	808	— 659
	2	21	54	75	81	156	258	38	296	81	284	56	36	457	753	— 597
	3	24	70	94	131	225	249	38	287	102	385	58	37	582	869	— 644

Interest, profits and dividends

TABLE 6

£ million

		Credits				Debits				Balance of Interest, profits and dividends
		Direct investment[1]	Portfolio investment	Other[2]	Total	Direct investment[1]	Portfolio investment	Other[2]	Total	
1970		710	171	565	1,446	360	113	417	890	+ 556
1971		718	166	595	1,479	390	135	449	974	+ 505
1972		911	164	657	1,732	552	151	495	1,198	+ 534
1973		1,450	194	1,145	2,789	698	180	691	1,569	+1,220
1974		1,490	239	1,414	3,143	609	236	1,016	1,861	+1,282
1975		1,583	225	1,024	2,832	615	288	1,166	2,069	+ 763
1976		2,381	246	1,276	3,903	1,023	354	1,211	2,588	+1,315
1977		2,297	270	1,533	4,100	1,318	518	1,780	3,616	+ 484
Unadjusted										
1974	*1*	361	54	451	866	140	60	274	474	+ 392
	2	398	67	341	806	167	55	221	443	+ 363
	3	330	59	298	687	129	59	229	417	+ 270
	4	401	59	324	784	173	62	292	527	+ 257
1975	*1*	372	52	255	679	156	66	309	531	+ 148
	2	390	58	269	717	160	84	309	553	+ 164
	3	389	57	219	665	129	68	252	449	+ 216
	4	432	58	281	771	170	70	296	536	+ 235
1976	*1*	505	56	309	870	240	79	292	611	+ 259
	2	592	61	309	962	259	102	281	642	+ 320
	3	611	65	321	997	229	82	303	614	+ 383
	4	673	64	337	1,074	295	91	335	721	+ 353
1977	*1*	545	66	378	989	323	112	384	819	+ 170
	2	597	66	389	1,052	377	161	480	1,018	+ 34
	3	564	70	376	1,010	305	120	411	836	+ 174
	4	591	68	390	1,049	313	125	505	943	+ 106
1978	*1*	534	57	447	1,038	325	140	422	887	+ 151
	2	576	65	552	1,193	354	191	529	1,074	+ 119
	3	560	73	562	1,195	325	134	489	948	+ 247
Seasonally adjusted										
1974	*1*	366	57	453	876	145	57	276	478	+ 398
	2	390	65	336	791	157	56	232	445	+ 346
	3	343	57	301	701	149	59	231	439	+ 262
	4	391	60	324	775	158	64	277	499	+ 276
1975	*1*	387	55	260	702	161	65	314	540	+ 162
	2	381	56	250	687	152	70	304	526	+ 161
	3	400	55	232	687	145	77	273	495	+ 192
	4	415	59	282	756	157	76	275	508	+ 248
1976	*1*	526	59	320	905	246	79	301	626	+ 279
	2	580	60	284	924	245	84	262	591	+ 333
	3	627	63	333	1,023	255	92	316	663	+ 360
	4	648	64	339	1,051	277	99	332	708	+ 343
1977	*1*	567	69	396	1,032	329	117	427	873	+ 159
	2	583	65	366	1,014	355	126	447	928	+ 86
	3	577	68	388	1,033	338	134	431	903	+ 130
	4	570	68	383	1,021	296	141	475	912	+ 109
1978	*1*	556	60	451	1,067	331	154	460	945	+ 122
	2	562	64	543	1,169	334	153	493	980	+ 189
	3	574	71	574	1,219	360	144	529	1,033	+ 186

[1] Credits exclude the earnings of oil companies; debits exclude the earnings of oil and insurance companies.
[2] Including oil companies.

Investment and other capital transactions

TABLE 7

Not seasonally adjusted

£ million

	Official long-term capital	Overseas investment in UK public sector[1], [4]	Overseas investment in UK private sector	UK private investment overseas	Overseas currency borrowing or lending (net) by UK banks[1], [2]: Borrowing to finance UK investment overseas	Overseas currency borrowing or lending (net) by UK banks[1], [2]: Other borrowing or lending (net)	Exchange reserves in sterling[4]: British government stocks	Exchange reserves in sterling[4]: Banking and money market liabilities etc.	Other external banking and money market liabilities in sterling	Import credit[3]	Export credit[3]	Other short-term transactions	Total investment and other capital transactions
1967	− 59	+ 54	+ 360	− 456	+ 55	− 19	− 40	− 150	− 96	+ 13	− 202	+ 43	− 497
1968	+ 16	+ 16	+ 567	− 727	+155	−170	− 22	− 158	−128	+ 75	− 356	− 24	− 756
1969	− 99	− 56	+ 673	− 679	+ 72	−110	+237	+ 77	− 53	+153	− 334	− 46	− 165
1970	−205	− 10	+ 845	− 789	+180	+292	+ 63	+ 130	+266	+ 14	− 395	+186	+ 577
1971	−274	+107	+1,047	− 836	+280	+191	+ 55	+ 658	+709	+ 54	− 287	+105	+1,809
1972	−255	+120	+ 795	−1,383	+725	−254	+ 65	+ 222	− 91	+198	− 409	−402	− 669
1973	−254	+175	+1,653	−1,743	+595	− 70	+ 74	+ 87	− 7	+348	− 552	−141	+ 165
1974	−276	+252	+2,287	−1,118	+270	−564	−124	+1,534	+148	+164	− 809	− 67	+1,697
1975	−288	+ 43	+1,697	−1,281	+320	− 85	+ 7	− 624	+550	+224	− 570	+285	+ 278
1976	−158	+203	+2,061	−2,156	+165	−271	+ 14	−1,421	+255	+165	−1,145	−608	−2,896
1977	−291	+2,182	+3,019	−2,276	+520	−136	+ 5	− 24	+1,471	+179	− 408	+175	+4,416
1970 *1*	− 48	+ 3	+ 264	− 227	+ 12	+113	+ 30	+ 138	+115	+ 6	− 63	+123	+ 466
2	− 38	− 3	+ 283	− 160	+ 32	+ 91	+ 34	+ 42	+ 82	+ 36	− 142	− 30	+ 227
3	− 20	− 23	+ 144	− 227	+ 60	− 84	+ 24	− 14	− 7	− 2	− 34	+ 22	− 161
4	− 99	+ 13	+ 154	− 175	+ 76	+172	− 25	− 36	+ 76	− 26	− 156	+ 71	+ 45
1971 *1*	− 46	+ 70	+ 319	− 204	+ 45	+ 39	+ 57	+ 168	+ 60	+ 9	− 74	+135	+ 578
2	− 44	+ 7	+ 291	− 236	+120	+ 28	+ 36	+ 244	− 3	+ 6	− 97	− 7	+ 345
3	− 34	+ 5	+ 216	− 162	+ 60	− 32	− 40	+ 137	+240	+ 27	+ 13	+ 48	+ 478
4	−150	+ 25	+ 221	− 234	+ 55	+156	+ 2	+ 109	+412	+ 12	− 129	− 71	+ 408
1972 *1*	− 42	+ 65	+ 153	− 343	+185	− 71	+ 70	+ 138	+ 3	+ 53	− 81	−137	− 7
2	− 39	+ 22	+ 198	− 373	+170	−302	− 8	+ 37	−167	+ 20	− 157	−238	− 837
3	− 17	+ 24	+ 245	− 313	+195	+ 4	− 35	− 52	− 5	+ 20	− 24	− 44	− 2
4	−157	+ 9	+ 199	− 354	+175	+115	+ 38	+ 99	+ 78	+105	− 147	+ 17	+ 177
1973 *1*	− 55	+ 44	+ 355	− 345	+175	−174	+ 18	+ 183	− 31	+ 57	− 212	+ 98	+ 113
2	− 31	+ 20	+ 445	− 391	+ 75	+ 77	+ 92	− 3	+ 77	+ 90	− 52	+ 1	+ 400
3	− 27	+ 21	+ 307	− 334	+140	−104	− 38	− 307	− 70	+ 36	− 102	−124	− 602
4	−141	+ 90	+ 546	− 673	+205	+131	+ 2	+ 214	+ 17	+165	− 186	−116	+ 254
1974 *1*	− 52	+ 32	+ 916	− 342	+190	−251	+ 68	+ 164	− 53	+ 21	− 125	− 40	+ 528
2	− 42	+107	+ 447	− 140	+125	− 69	−190	+ 421	+155	+ 81	− 335	+149	+ 709
3	− 15	+ 30	+ 541	− 174	+ 15	−361	− 67	+ 622	+ 61	+ 1	− 109	− 13	+ 531
4	−167	+ 83	+ 383	− 462	− 60	+117	+ 65	+ 327	− 15	+ 61	− 240	−163	− 71
1975 *1*	− 73	+ 66	+ 330	− 346	+ 30	−110	+ 6	+ 222	+ 19	− 36	− 117	+120	+ 111
2	− 39	—	+ 227	− 542	+100	+672	− 7	− 296	+286	− 55	− 75	−132	+ 139
3	− 26	− 52	+ 643	− 72	+125	−140	− 67	− 313	+ 1	+188	− 38	+ 30	+ 279
4	−150	+ 29	+ 497	− 321	+ 65	−507	+ 75	− 237	+244	+127	− 340	+267	− 251
1976 *1*	− 37	+ 9	+ 745	− 577	+ 65	+ 29	− 10	− 70	+ 5	− 43	− 296	−339	− 519
2	− 26	+ 13	+ 402	− 557	+ 90	−176	− 13	− 908	− 11	+ 69	− 343	−317	−1,777
3	− 10	+ 58	+ 453	− 509	+ 55	−327	− 19	− 330	+212	+ 80	− 147	−160	− 644
4	− 85	+123	+ 461	− 513	− 45	+203	+ 56	− 113	+ 49	+ 59	− 359	+208	+ 44
1977 *1*	− 25	+498	+ 929	− 571	+ 85	+336	−165	+ 355	+199	+ 35	− 50	+ 97	+1,723
2	− 20	+921	+ 843	− 822	+ 90	−796	− 4	− 394	+350	+117	− 187	+ 24	+ 122
3	− 17	+289	+ 776	− 442	+210	− 21	+ 31	+ 43	+323	+ 31	+ 34	− 65	+1,192
4	−229	+474	+ 471	− 441	+135	+345	+143	− 28	+599	− 4	− 205	+119	+1,379
1978 *1*	− 57	− 3	+1,020	− 682	+145	− 30	− 34	+ 194	− 59	+142	− 318	−226	+ 92
2	− 14	− 15	+ 466	− 513	+340	−1,295	− 20	− 211	−156	+101	− 345	−117	−1,779
3	− 17	− 14	+ 415	− 768	+160	+168	− 38	+ 43	+159	−128	+ 18	+ 74	+ 72

[1] Excluding public sector borrowing under the exchange cover scheme which is included under 'official financing'.

[2] Including certain other financial institutions.

[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers. Net credit extended by UK merchants in third-country trade is included within export credit.

[4] The take-up in April 1977 of £395 million of British government foreign currency bonds was mainly offset by a fall in exchange reserves in sterling.

Official long-term capital[1]

TABLE 8

Not seasonally adjusted

£ million

	Inter-government loans					Other official long-term capital		
			Repaid by UK					
	Made by UK	Repaid to UK	Export-Import Bank	Other	Total	UK sub-scriptions, to IDA, etc.	Other	Total official long-term capital[2]
1972	−110	+34	−58	−54	−188	− 52	−15	−255
1973	− 93	+31	−38	−53	−153	− 85	−16	−254
1974	−108	+33	−32	−52	−159	−106	−11	−276
1975	−113	+34	−22	−61	−162	−107	−19	−288
1976	− 54	+37	− 9	−12	− 38	−102	−18	−158
1977	− 44	+48	—	−68	− 64	−201	−26	−291
1975 *1*	− 55	+ 5	—	—	− 49	− 21	− 3	− 73
2	− 14	+13	−14	− 4	− 19	− 15	− 5	− 39
3	− 26	+ 5	—	—	− 22	− 1	− 4	− 26
4	− 18	+11	− 8	−57	− 72	− 70	− 7	−150
1976 *1*	− 23	+ 5	—	—	− 18	− 9	− 9	− 37
2	− 10	+13	− 9	− 6	− 12	− 12	− 3	− 26
3	− 12	+ 6	—	—	− 6	− 2	− 2	− 10
4	− 9	+13	—	− 6	− 2	− 79	− 4	− 85
1977 *1*	− 18	+12	—	—	− 7	− 8	−10	− 25
2	− 7	+14	—	− 6	+ 1	− 13	− 8	− 20
3	− 10	+ 9	—	—	—	− 13	− 4	− 17
4	− 9	+13	—	−62	− 58	−167	− 4	−229
1978 *1*	− 27	+12	—	—	− 16	− 34	− 7	− 57
2	− 8	+17	—	− 6	+ 3	− 16	− 1	− 14
3	− 20	+14	—	—	− 6	− 11	—	− 17

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Components and totals are rounded independently.

Overseas investment in UK public sector[1]

TABLE 9

Not seasonally adjusted

£ million

				Net issues abroad[3]		Net borrowing from banks, etc. overseas[3]		
	In British government stocks[2]	In British government foreign currency bonds	In local authorities securities and mortgages	Public corporations	Local authorities	Public corporations	Local authorities	Total
1972	+108	—	+ 5	—	—	+ 7	—	+120
1973	+ 42	—	+32	+52	+30	+ 19	—	+175
1974	+105	—	−10	+85	—	+ 69	+ 3	+252
1975	− 13	—	+ 4	− 4	—	+ 56	—	+ 43
1976	+116	—	+14	+46	—	+ 27	—	+203
1977	+979	+395	+28	+30	—	+746	+ 4	+2,182
1975 *1*	+ 36	—	—	—	—	+ 30	—	+ 66
2	− 1	—	+ 2	− 4	—	+ 3	—	—
3	− 56	—	− 1	—	—	+ 5	—	− 52
4	+ 8	—	+ 3	—	—	+ 18	—	+ 29
1976 *1*	− 1	—	+ 6	− 4	—	+ 8	—	+ 9
2	+ 14	—	+ 1	—	—	− 2	—	+ 13
3	+ 53	—	+ 5	—	—	—	—	+ 58
4	+ 50	—	+ 2	+50	—	+ 21	—	+123
1977 *1*	+350	—	+ 8	− 5	—	+145	—	+498
2	+ 37	+395	+11	—	—	+479	− 1	+921
3	+246	—	+ 6	—	—	+ 37	—	+289
4	+346	—	+ 3	+35	—	+ 85	+ 5	+474
1978 *1*	+ 51	—	− 2	−91	—	+ 34	+ 5	− 3
2	− 34	—	+ 2	—	—	+ 13	+ 4	− 15
3	− 21	—	− 2	—	—	+ 9	—	− 14

[1] Net of disinvestment. Liabilities: increase+/decrease−.
[2] Denominated in sterling: excluding investment by central monetary institutions and international organisations.
[3] Excluding borrowing under the exchange cover scheme.

Overseas investment in UK private sector[1]

TABLE 10

Not seasonally adjusted

£ million

	Direct[2]			UK company securities		Oil companies' and other miscellaneous investment	Total
	Unremitted profits	Other	Total	Issues abroad (net)	Other securities		
1972	+301	+104	+405	+171	+ 6	+ 213	+ 795
1973	+338	+388	+726	+139	+ 91	+ 697	+1,653
1974	+243	+594	+837	+ 11	+132	+1,307	+2,287
1975	+240	+285	+525	+ 34	− 24	+1,162	+1,697
1976	+528	+183	+711	+ 97	+160	+1,093	+2,061
1977	+800	+351	+1,151	+216	+205	+1,447	+3,019
1975 *1*	+ 70	+ 41	+111	+ 7	− 4	+ 216	+ 330
2	+ 67	+ 73	+140	+ 22	− 39	+ 104	+ 227
3	+ 80	+ 96	+176	− 9	+ 4	+ 472	+ 643
4	+ 23	+ 75	+ 98	+ 14	+ 15	+ 370	+ 497
1976 *1*	+144	+126	+270	+ 18	+ 18	+ 439	+ 745
2	+119	− 28	+ 91	+ 58	+ 58	+ 195	+ 402
3	+133	+ 26	+159	+ 34	+ 38	+ 222	+ 453
4	+132	+ 59	+191	− 13	+ 46	+ 237	+ 461
1977 *1*	+195	+132	+327	+ 16	+ 79	+ 507	+ 929
2	+230	+148	+378	+163	+ 15	+ 287	+ 843
3	+217	+ 26	+243	+ 26	+117	+ 390	+ 776
4	+158	+ 45	+203	+ 11	− 6	+ 263	+ 471
1978 *1*	+220	+190	+410	+ 29	− 28	+ 609	+1,020
2	+226	+ 10	+236	+137	− 36	+ 129	+ 466
3	+221	+ 59	+280	+ 48	+ 2	+ 85	+ 415

[1] Net of disinvestment. Liabilities: increase+/decrease−.
[2] Excluding the transactions of oil and insurance companies.

UK private investment overseas[1]

TABLE 11

Not seasonally adjusted

£ million

	Direct[2]			Portfolio	Oil companies' and other miscellaneous investment	Total
	Unremitted profits	Other	Total			
1972	− 465	−272	− 737	−585	− 61	−1,383
1973	− 840	−781	−1,621	+293	−415	−1 743
1974	− 851	−724	−1,575	+755	−298	−1,118
1975	− 873	−221	−1,094	− 49	−138	−1,281
1976	−1,453	−655	−2,108	+169	−217	−2,156
1977	−1,354	−545	−1,899	+ 57	−434	−2,276
1975 *1*	− 204	− 99	− 303	+ 24	− 67	− 346
2	− 206	− 46	− 252	− 44	−246	− 542
3	− 223	− 19	− 242	− 22	+192	− 72
4	− 240	− 57	− 297	− 7	− 17	− 321
1976 *1*	− 335	−261	− 596	− 77	+ 96	− 577
2	− 342	−139	− 481	+ 26	−102	− 557
3	− 379	−103	− 482	+ 46	− 73	− 509
4	− 397	−152	− 549	+174	−138	− 513
1977 *1*	− 311	−281	− 592	+ 36	− 15	− 571
2	− 332	−115	− 447	− 26	−349	− 822
3	− 346	− 7	− 353	+ 40	−129	− 442
4	− 365	−142	− 507	+ 7	+ 59	− 441
1978 *1*	− 304	−135	− 439	−229	− 14	− 682
2	− 316	−334	− 650	−176	+313	− 513
3	− 335	− 20	− 355	−156	−257	− 768

[1] Net of disinvestment. Assets: increase−/decrease+.
[2] Excluding the transactions of oil companies but including investment by a number of public corporations.

Import and export credit[1]

TABLE 12

Not seasonally adjusted

£ million

	Import credit					Export credit				
	Credit received by UK businesses					Credit extended by UK banks				
	Identified long-term[2]	Other	Total	Advance and progress payments	Total	Identified long-term	Other	Total	Suppliers' credit[3]	Advance and progress payments	Total
1972	+176	+ 41	+217	− 19	+198	−312	− 25	−337	−167	+ 95	− 409
1973	+148	+216	+364	− 16	+348	−254	−120	−374	−324	+146	− 552
1974	+ 68	+138	+206	− 42	+164	−419	−198	−617	−492	+300	− 809
1975	+ 53	+ 65	+118	+106	+224	−633	− 49	−682	−122	+234	− 570
1976	− 40	+246	+206	− 41	+165	−703	−111	−814	−580	+249	−1,145
1977	+ 76	+ 41	+117	+ 62	+179	−596	− 24	−620	− 33	+245	− 408
1975 *1*	− 12	− 38	− 50	+ 14	− 36	−126	− 78	−204	+ 45	+ 42	− 117
2	− 2	− 51	− 53	− 2	− 55	−156	+ 27	−129	− 27	+ 81	− 75
3	+ 57	+ 42	+ 99	+ 89	+188	−146	+ 9	−137	+ 25	+ 74	− 38
4	+ 10	+112	+122	+ 5	+127	−205	− 7	−212	−165	+ 37	− 340
1976 *1*	− 18	+ 18	—	− 43	− 43	−171	− 50	−221	−120	+ 45	− 296
2	+ 54	+ 41	+ 95	− 26	+ 69	−210	− 4	−214	−182	+ 53	− 343
3	− 25	+ 75	+ 50	+ 30	+ 80	−144	− 2	−146	− 70	+ 69	− 147
4	− 51	+112	+ 61	− 2	+ 59	−178	− 55	−233	−208	+ 82	− 359
1977 *1*	+ 11	+ 50	+ 61	− 26	+ 35	−131	− 59	−190	+ 81	+ 59	− 50
2	+ 64	− 50	+ 14	+103	+117	−136	+ 2	−134	−117	+ 64	− 187
3	+ 13	− 13	—	+ 31	+ 31	−136	+ 20	−116	+ 63	+ 87	+ 34
4	− 12	+ 54	+ 42	− 46	− 4	−193	+ 13	−180	− 60	+ 35	− 205
1978 *1*	+ 26	+ 20	+ 46	+ 96	+142	−121	+ 58	− 63	−300	+ 45	− 318
2	—	+ 72	+ 72	+ 29	+101	−193	−132	−325	− 90	+ 70	− 345
3	− 46	− 50	− 96	− 32	−128	−138	+106	− 32	+ 10	+ 40	+ 18

[1] Excluding trade credit between 'related' firms. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Credit on ships, commercial aircraft and North Sea installations; prior to 1973 ships owned by oil companies are excluded.
[3] Includes net credit extended by UK merchants on third-country trade.

Other short-term transactions[1]

TABLE 13

Not seasonally adjusted

£ million

	External sterling lending[2]	Official short-term transactions (net)	Other commercial short-term transactions (net)[3]	IMF expenditure and receipts in sterling	IMF gold deposits in the UK	Total
1972	−241	+10	− 77	−83	−11	−402
1973	+ 35	+19	−195	—	—	−141
1974	+ 53	−20	−100	—	—	− 67
1975	+ 94	+15	+176	—	—	+285
1976	−351	+19	−276	—	—	−608
1977	+124	+54	− 3	—	—	+175
1975 *1*	+ 46	—	+ 74	—	—	+120
2	−241	+ 3	+106	—	—	−132
3	+ 35	− 2	− 3	—	—	+ 30
4	+254	+14	− 1	—	—	+267
1976 *1*	−244	+15	−110	—	—	−339
2	−224	− 9	− 84	—	—	−317
3	−125	+24	− 59	—	—	−160
4	+242	−11	− 23	—	—	+208
1977 *1*	+177	−13	− 67	—	—	+ 97
2	−101	+ 2	+123	—	—	+ 24
3	− 16	+56	−105	—	—	− 65
4	+ 64	+ 9	+ 46	—	—	+119
1978 *1*	−266	+90	− 50	—	—	−226
2	− 74	−53	+ 10	—	—	−117
3	− 69	+84	+ 59	—	—	+ 74

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Excluding credit for UK exports
[3] Prior to 1973 includes trade credit on oil companies' ships which thereafter is included in import credit.

Official financing[1]

TABLE 14

£ million

	Net transactions with overseas monetary authorities							Foreign currency borrowing:			
	International Monetary Fund[2]				Other monetary authorities[3]						
	UK drawings	UK re-purchases	Other net drawings[4]	Total	Foreign currency	Sterling	Total	by HM Government[5]	by public sector under exchange cover scheme	Drawings on (+)/ additions to (−) official reserves[6]	Total official financing
1972	—	−313	−102	− 415	—	+ 864	+ 864	—	—	+ 692	+1,141
1973	—	—	—	—	—	—	—	—	+ 999	− 228	+ 771
1974	—	—	—	—	—	—	—	+644	+1,107	− 105	+1,646
1975	—	—	—	—	—	—	—	+423	+ 387	+ 655	+1,465
1976	+1,018	—	—	+1,018	− 20	− 14	− 34	—	+1,792	+ 853	+3,629
1977	+1,525	−412	—	+1,113	—	—	—	+871	+ 243	−9,588	−7,361
1976 *1*	+ 580	—	—	+ 580	—	—	—	—	+ 276	− 178	+ 678
2	+ 438	—	—	+ 438	+356	+ 225	+ 581	—	+ 583	+ 354	+1,956
3	—	—	—	—	+189	+ 120	+ 309	—	+ 492	+ 61	+ 862
4	—	—	—	—	−565	− 359	− 924	—	+ 441	+ 616	+ 133
1977 *1*	+ 682	—	—	+ 682	—	—	—	+584	+ 18	−3,197	−1,913
2	+ 629	−412	—	+ 217	—	—	—	—	+ 33	−1,158	− 908
3	+ 214	—	—	+ 214	—	—	—	+287	+ 118	−3,227	−2,608
4	—	—	—	—	—	—	—	—	+ 74	−2,006	−1,932
1978 *1*	—	—	—	—	—	—	—	—	− 219	+ 46	− 173
2	—	−463	−42	−505	—	—	—	+191	− 218	+2,026	+1,494
3	—	—	−26	− 26	—	—	—	—	− 130	− 54	− 210

[1] From 23 August 1971, valued in sterling at market related rates of exchange. [2] Components and the total are rounded independently. From July 1972, excludes transactions which affect the UK reserve position in the IMF. UK drawings on the oil facility are included. [3] Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps. [4] Drawings (−) and repurchases (+) in sterling by other countries. [5] Drawings on two euro-dollar facilities for HM Government to borrow $2,500 million and $1,500 million, and a $350 million bond issue in New York. [6] From July 1972, includes transactions affecting the UK reserve position in the IMF.

International Monetary Fund

TABLE 15

£ million

	United Kingdom account with the IMF[1]									End of period		
				Credit tranche							United Kingdom tranche position[2]	
	UK gold sub-scription	IMF gold deposits in UK	Gold tranche (net)	UK drawings	UK re-purchases	Other net drawings	Other IMF sterling trans-actions	Other Fund drawings	Change in account with IMF	IMF holdings of sterling	Total	*of which* Gold tranche
1972	—	−11	− 33	—	− 21	−102	−83	—	− 250	1,132[3]	1,215	49
1973	—	—	—	—	—	—	—	—	—	1,189[3]	1,215	49
1974	—	—	− 45	—	—	—	—	—	− 45	1,143	1,252	86
1975	—	—	− 54	—	—	—	—	—	− 54	1,089	1 294	127
1976	—	—	+174	+437	—	—	—	+573[4]	+1,184	2,808[3]	1,400	—
1977	—	—	—	+1,468	−412	—	—	—	+1,056	4,150	717	—
1976 *1*	—	—	+174	—	—	—	—	+573[4]	+ 747	2,061[3]	1,692	—
2	—	—	—	+437	—	—	—	—	+ 437	2,808[3]	1,400	—
3	—	—	—	—	—	—	—	—	—	2,808	1,400	—
4	—	—	—	—	—	—	—	—	—	2,808	1,400	—
1977 *1*	—	—	—	+624	—	—	—	—	+ 624	3,432	983	—
2	—	—	—	+628	−412	—	—	—	+ 216	3,934[3]	850	—
3	—	—	—	+216	—	—	—	—	+ 216	4,150	717	—
4	—	—	—	—	—	—	—	—	—	4,150	717	—
1978 *1*	—	—	—	—	—	—	—	—	—	4,150	717	—
2	—	—	—	—	−473	−42	—	—	− 431	3,684[3]	717	—
3	—	—	—	—	—	−26	—	—	− 26	3,658	717	—

[1] UK assets with IMF: increase−/decrease+. UK liabilities to IMF: increase+/decrease−. From first quarter 1972 valued at the rates of exchange at which the Fund accounts for its holdings of sterling (not necessarily the market rates current at the time of the transaction as used in Table 14).

[2] The amount, valued at parity, the United Kingdom could draw without raising IMF holdings of sterling beyond 200 per cent of quota. From first quarter 1976 this maximum was increased on a temporary basis to 245 per cent of quota. The UK quota was raised in November 1970, from $2,440 million (£1,017 million) to $2,800 million (£1,167 million). From March 1972 the unit of account of the IMF was changed from dollars to SDRs. The quota was therefore now expressed as SDR 2,800 million (£1,167 million). With effect from May 1978 the UK quota was raised to SDR 2,925 million (£1,219 million).

[3] Includes maintenance of value adjustments of −£3 million in May 1972, £57 million in May 1973, £226 million in March 1976, £310 million in May 1976, and £286 million in May 1977, and £35 million in May 1978 to maintain a constant value in terms of SDRs of the Fund's holding of sterling following the Fund's decision to value certain currencies at market rates of exchange. [4] Oil facility.

[5] Includes payment of UK quota increase under the sixth increase in quotas (£84 million).

Official long-term borrowing[1]

TABLE 16

£ million

End of period

	Inter-government loans										
			USA						Canada		
	German Federal Republic	Portugal	Lend-lease	Line of credit	Economic Co-operation administration	Mutual Security Agency	Export Import Bank credit	Other	Line of credit	Pakistan and Bangladesh	Total[2]
1971	49	7	173	1,111	87	15	148	1	350	2	1,943
1972	53	2	184	1,179	89	16	100	1	374	2	2,000
1973	54	—	181	1,162	83	15	61	1	369	2	1,928
1974	53	—	174	1,119	75	14	28	1	357	2	1,823
1975	62	—	197	1,264	79	16	8	—	393	2	2,021
1976 *1*	65	—	208	1,335	84	17	9	—	429	2	2,149
2	70	—	233	1,433	85	17	—	—	468	2	2,308
3	75	—	239	1,533	91	18	—	—	498	2	2,456
4	74	—	235	1,507	84	17	—	—	471	2	2,390
1977 *1*	73	—	232	1,487	83	17	—	—	444	2	2,337
2	73	—	232	1,487	77	17	—	—	444	2	2,331
3	72	—	228	1,464	76	16	—	—	431	2	2,288
4	65	—	202	1,296	65	14	—	—	374	2	2,017
1978 *1*	67	—	208	1,333	66	15	—	—	372	1	2,063
2	67	—	208	1,335	61	14	—	—	375	1	2,063
3	63	—	196	1,257	58	13	—	—	336	1	1,924

[1] Figures are converted to sterling at $2·40 = £1 for end-year 1970; at $2·60571 = £1 for end-year 1971 and at end period middle-market closing rates thereafter. Changes to the figures in this table resulting from exchange rate variations are not recorded as loans or loan repayments in tables 7 and 8.
[2] The components are rounded independently from the overall total.

Official long-term lending

TABLE 17

£ million

End of period

	Inter-government loans[1]								
	India	Pakistan and Bangladesh	Kenya	Singapore	Turkey	Poland	Other countries	Total[2]	Other official long-term capital[3]
1971	374	80	62	27	45	48	332	969	537
1972	413	89	52	33	49	48	337	1,020	604
1973	448	94	52	37	47	48	351	1,079	703
1974	507	98	52	37	45	48	364	1,152	818
1975	550	109	52	37	43	48	392	1,231	945
1976 *1*	556	110	53	37	43	48	401	1,248	963
2	550	111	53	37	42	48	405	1,246	973
3	552	113	53	37	41	48	407	1,251	976
4	547	114	52	37	41	48	409	1,248	1,060
1977 *1*	546	112	53	37	42	48	415	1,254	1,078
2	540	111	52	37	42	48	416	1,247	1,099
3	538	111	52	37	41	48	419	1,247	1,116
4	534	110	51	37	41	48	421	1,243	1,287
1978 *1*	532	115	51	37	40	48	435	1,259	1,328
2	525	115	50	36	40	48	436	1,250	1,345
3	523	115	50	36	40	48	444	1,256	1,356

[1] Some loans have, by agreement with the debtor country, been written down either in whole or in part. Such changes are reflected in the entries in this table but are not recorded as repayments in the general balance of payments tables or in Table 8.
[2] The components are rounded independently from the overall total.
[3] Subscriptions to international financial organisations (excluding the IMF) and other official assets.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Summary

TABLE 18

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities, etc.					
	Total[1]	British government stocks[2]	Total	External deposits[3]	Treasury bills[4]	Total	External deposits[3]	Treasury bills
Total countries								
1971	3,030	1,307	1,723	996	727	2,382	2,379	3
1972	3,361	1,454	1,907	1,031	876	2,291	2,288	3
1973	3,379	1,428	1,951	1,439	512	2,284	2,280	4
1974[2]	4,725	1,295	3,430	1,870	1,560	2,432	2,426	6
	4,303	959	3,344	1,784	1,560	2,500	2,494	6
1975	3,714	1,023	2,691	1,629	1,062	3,229	3,201[5]	28
1976	2,203	964	1,239	813	426	3,484	3,470	14
1977 *1*	2,400	884	1,516	805	711	3,683	3,671	12
2	1,970	779	1,191	603	588	4,033	4,016	17
3	2,050	820	1,230	657	573	4,356	4,342	14
4	2,132	1,077	1,055	737	318	4,955	4,935	20
1978 *1*	2,279	1,072	1,207	839	368	4,896	4,887	9
2	2,003	974	1,029	604	425	4,740	4,726	14
3	2,000	919	1,081	617	464	4,899	4,884	15
International organisations[6]								
1971	210	109	101	10	91	—	—	—
1972	257	118	139	17	122	—	—	—
1973	310	128	182	20	162	—	—	—
1974[2]	363	126	237	51	186	—	—	—
	331	94	237	51	186	—	—	—
1975	386	120	266	68	198	—	—	—
1976	436	139	297	65	232	—	—	—
1977 *1*	429	54	375	92	283	—	—	—
2	461	155	306	108	198	—	—	—
3	455	145	310	93	217	—	—	—
4	703	246	457	143	314	—	—	—
1978 *1*	716	217	499	184	315	—	—	—
2	761	295	466	167	299	—	—	—
3	769	312	457	153	304	—	—	—
Total all holders								
1971	3,240	1,416	1,824	1,006	818	2,382	2,379	3
1972	3,618	1,572	2,046	1,048	998	2,291	2,288	3
1973	3,689	1,556	2 133	1,459	674	2,284	2,280	4
1974[2]	5,088	1,421	3,667	1,921	1,746	2,432	2,426	6
	4,634	1,053	3,581	1,835	1,746	2,500	2,494	6
1975	4,100	1,143	2,957	1,697	1,260	3,229	3,201[5]	28
1976	2,639	1,103	1,536	878	658	3,484	3,470	14
1977 *1*	2,829	938	1,891	897	994	3,683	3,671	12
2[8]	2,431	934	1,497	711	786	4,033	4,016	17
3	2,505	965	1,540	750	790	4,356	4,342	14
4	2,835	1,323	1,512	880	632	4,955	4,935	20
1978 *1*	2,995	1,289	1,706	1,023	683	4,896	4,887	9
2	2,764	1,269	1,495	771	724	4,740	4,726	14
3	2,769	1,231	1,538	770	768	4,899	4,884	15

[1] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks, etc.

[2] A modified reporting system was introduced at the end of 1974 giving rise to some change of definition and coverage. In particular, since 1974, all fourth quarter figures of holdings of British government stocks are now recorded at approximate market values instead of at nominal values, whereas, for the other quarters, holdings of British government stocks reflect the cash flows during each quarter. Therefore, the apparent change during the fourth quarter differs by the amount of the revaluation from the cash flows recorded in Table 7.

[3] Deposits with banks, local authorities and other financial institutions.

[4] Including certain non-interest-bearing notes.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Geographical analysis

TABLE 18 (*continued*)

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions[1]					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities					
	Total	British government stocks[2]	Total	External deposits[3]	Treasury bills	Total	External deposits[3]	Treasury bills
EEC countries								
1973	288	107	181	159	22	468	467	1
1974[2]	223	63	160	127	33	501	500	1
	177	60	117	84	33	518	517	1
1975	124	25	99	46	53	774	751[5]	23
1976	186	10	176	100	76	899	887	12
1977 *1*	262	10	252	100	152	896	886	10
2	151	10	141	38	103	925	911	14
3	175	—	175	102	73	1,052	1,042	10
4	174	—	174	103	71	1,309	1,292	17
1978 *1*	131	—	131	81	50	1,185	1,179	6
2	150	—	150	134	16	1,145	1,136	9
3	165	2	163	107	56	1,152	1,142	10
Oil-exporting countries[7]								
1973	959	103	856	719	137	314	314	—
1974[2]	3,183	490	2,693	1,387	1,306	307	306	1
	3,101	423	2,678	1,369	1,309	344	343	1
1975	2,838	624	2,214	1,381	833	466	466	—
1976	1,421	736	685	462	223	497	497	—
1977 *1*	1,443	658	785	531	254	532	532	—
2	1,197	625	572	388	184	828	827	1
3	1,288	672	616	344	272	787	786	1
4	1,360	868	492	407	85	747	746	1
1978 *1*	1,404	850	554	481	73	789	788	1
2	1,212	743	469	270	199	790	789	1
3	1,169	689	480	258	222	861	861	—
Other countries								
1973	2,132	1,218	914	561	353	1,502	1,499	3
1974[2]	1,319	742	577	356	221	1,624	1,620	4
	1,025	476	549	331	218	1,638	1,634	4
1975	752	374	378	202	176	1,989	1,984	5
1976	596	218	378	251	127	2,088	2,086	2
1977 *1*	695	216	479	174	305	2,255	2,253	2
2	622	144	478	177	301	2,280	2,278	2
3	587	148	439	211	228	2,517	2,514	3
4	598	209	389	227	162	2,899	2,897	2
1978 *1*	744	222	522	277	245	2,922	2,920	2
2	641	231	410	200	210	2,805	2,801	4
3	666	228	438	252	186	2,886	2,881	5

[5] Improvements in coverage in the second quarter of 1975 added some £180 million

[6] Excluding IMF.

[7] Algeria, Bahrain, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates, and Venezuela.

[8] Exchange reserves in sterling were reduced following the take-up of £395 million of British government foreign currency bonds in April 1977 – mainly by overseas monetary authorities.

External liabilities and claims of United Kingdom banks in overseas currencies[1]

TABLE 19

£ million

End of period

	Total all currencies	Currency: US dollars	Currency: Other overseas currencies	Area of holder: Western Europe: EEC countries	Area of holder: Western Europe: Other countries	Area of holder: North America	Area of holder: Oil-exporting countries[2]	Area of holder: Other countries[3]
United Kingdom liabilities								
1971	17,605	14,146	3,459	10,423		2,676	934	3,572
1972	25,460	20,539	4,921	14,327		3,294	1,698	6,141
1973	39,017	29,770	9,247	12,606	9,737	4,240	2,012	10,422
1974[4]	47,451	37,810	9,641	11,996	11,011	4,738	7,888	11,818
1975	63,368	51,488	11,880	15,972	13,241	6,771	11,198	16,186
1976	87,319	71,958	15,361	20,477	15,898	9,334	16,648	24,962
1977 *1*	87,625	72,182	15,443	19,953	15,297	9,237	17,468	25,670
2	90,577	73,760	16,817	20,454	16,225	10,794	18,244	24,860
3	92,240	74,808	17,432	19,625	17,373	11,060	18,245	25,937
4[6]	89,338	71,213	18,125	20,727	17,167	10,790	16,614	24,040
1978 *1*	94,491	73,788	20,703	21,646	18,876	12,704	17,090	24,175
2	96,359	76,203	20,156	21,909	20,057	12,017	16,192	26,184
3	99,281	77,069	22,212	21,941	20,861	12,283	15,684	28,512
United Kingdom claims								
1971	16,680	13,023	3,657	8,139		2,479	305	5,757
1972	24,019	19,422	4,597	11,165		3,206	522	9,126
1973	36,274	28,174	8,100	12,518	3,923	4,424	825	14,584
1974[4]	43,651	35,194	8,457	12,086	4,987	5,066	992	20,520
1975	58,440	47,914	10,526	15,362	6,548	4,041	1,677	30,812
1976	81,076	66,139	14,937	21,309	9,016	6,022	3,193	41,536
1977 *1*	80,524	65,828	14,696	20,864	8,853	5,085	3,718	42,004
2	84,159	68,300	15,859	22,758	9,716	5,947	4,496	41,242
3	85,544	69,534	16,010	23,337	10,291	7,012	4,651	40,253
4	83,000	65,585	17,415	24,432	10,089	6,948	4,783	36,748
1978 *1*	88,066	68,289	19,777	26,445	10,892	6,113	5,468	39,148
2	91,034	71,434	19,600	27,077	11,213	6,620	6,022	40,102
3	94,063	72,812	21,251	27,677	11,454	6,386	6,525	42,021
Net liabilities[5]								
1971	925	1,123	— 198	2,284		197	629	— 2,185
1972	1,441	1,117	324	3,162		88	1,176	— 2,985
1973	2,743	1,596	1,147	88	5,814	— 184	1,187	— 4,162
1974[4]	3,800	2,616	1,184	— 90	6,024	— 328	6,896	— 8,702
1975	4,928	3,574	1,354	610	6,693	2,730	9 521	—14,626
1976	6,243	5,819	424	— 832	6,882	3,312	13,455	—16,574
1977 *1*	7,101	6,354	747	— 911	6,444	4,152	13,750	—16,334
2	6,418	5,460	958	— 2,304	6,509	4,847	13,748	—16,382
3	6,696	5,274	1,422	— 3,712	7,082	4,048	13,594	—14,316
4[6]	6,338	5,628	710	— 3,705	7,078	3,842	11,831	—12,708
1978 *1*	6,425	5,499	926	— 4,799	7,984	6,591	11,622	—14,973
2	5,325	4,769	556	— 5,168	8,844	5,397	10,170	—13,918
3	5,218	4,257	961	— 5,736	9,407	5,897	9,159	—13,509

[1] Including certain other financial institutions. Including revaluations in sterling terms, (excluded from Table 7) and liabilities incurred by UK banks in respect of borrowings by UK public sector under the exchange cover scheme and HM Government drawings on two euro-dollar facilities.

[2] See footnote [7] to Table 18.

[3] Including unallocated items. For end-March 1978 onwards unallocated dollar certificates of deposit became negligible as a result of improvements in reporting arrangements.

[4] Although new reporting arrangements were introduced in December 1974, these are not thought to have led to any major inconsistencies between the figures from end-1974 onwards and for earlier figures, except for the exclusion of claims, on overseas customers, arising from acceptances, which contributed some £100 million in the earlier figures.

[5] Minus sign indicates that claims exceed liabilities.

[6] An improvement in the coverage of UK financial institutions reporting holdings of US dollar certificates of deposit has reduced UK external liabilities for end-1977 onwards (at end-1977 the reduction was about £50 million). In addition the end-1977 figures differ from those published in the Pink Book because of later information.

Official reserves[1, 2]

TABLE 20

	$ million					£ million
	End of period					
	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF	Total	Total[3]
1972	801	656	4,063	126	5,646	2,404
1973	887	724	4,725	140	6,476	2,787
1974	888	830	4,823	248	6,789	2,890
1975	888	840	3,335	366	5,429	2,683
1976 *1*	888	830	4,187	—	5,905	3,082
2	888	790	3,634	—	5,312	2,976
3	888	759	3,511	—	5,158	3,092
4	888	728	2,513	—	4,129	2,426
1977 *1*	913	673	8,032	—	9,618	5,592
2	913	628	10,031	—	11,572	6,727
3	913	592	15,666	—	17,171	9,826
4	938	604	19,015	—	20,557	10,715
1978 *1*	938	565	18,817	—	20,320	10,910
2	938	598	15,006	—	16,542	8,891
3	938	713	14,860	—	16,511	8,365

[1] Convertible currencies are valued at middle or central rates. Special Drawing Rights are valued at SDR 1 = $1·08571 from end-1971 to end-1972; and at SDR 1 = $1·20635 thereafter. Gold is valued at $38 per fine ounce from end-1971 to end-1972; and at $42·2222 per fine ounce thereafter.
[2] From July 1972, the official reserves were redefined to include the UK reserve position in the IMF, which at that time amounted to $760 million. At end-1971 this was nil.
[3] Total reserves valued as in [1] above are converted to sterling at $2·60571 = £1 at end-1971 and at end-period dollar/sterling middle-market closing rates thereafter.

Official financing liabilities and official reserves [1]

TABLE 21

	£ million						
	End of period						
		Borrowing from other monetary authorities		Other foreign currency borrowing by			
	IMF[2]	Foreign currency deposits	Other[3]	by HM Government	by public sector under exchange cover scheme	Total official financing liabilities	Official reserves
1972	—	—	—	—	156	156	2,404
1973	—	—	—	—	1,283	1,283	2,787
1974	—	—	—	638	2,380	3,018	2,890
1975	—	—	—	1,235	3,174	4,409	2,683
1976 *1*	630	—	—	1,305	3,654	5,589	3,082
2	1,149	353	224	1,401	4,515	7,642	2,976
3	1,230	566	360	1,499	5,338	8,993	3,092
4	1,205	—	—	1,469	5,646	8,320	2,426
1977 *1*	1,893	—	—	2,035	5,604	9,532	5,592
2	2,118	—	—	2,034	5,636	9,788	6,727
3	2,306	—	—	2,289	5,663	10,258	9,826
4	2,100	—	—	2,085	5,219	9,404	10,715
1978 *1*	2,163	—	—	2,148	5,146	9,457	10,910
2	1,671	—	—	2,338	4,961	8,970	8,891
3	1,551	—	—	2,204	4,554	8,309	8,365

[1] Data denominated in dollars are converted to sterling at £1 = $2·60571 at end-1971 and at end-period middle-market closing rates thereafter. (Non-dollar currencies are first converted to dollars at middle or central rates.)
[2] Drawings from the IMF, net of repayments by the United Kingdom and drawings of sterling from the IMF by other countries. Excludes interest, charges in sterling, and, from 1972, transactions which affect the UK reserve position in the IMF. (See Table 14 Official financing, and Table 15 UK account with IMF.)
[3] Borrowing and assistance with a sterling counterpart.

International comparisons of taxes and social security contributions 1970 - 1976

This article presents comparisons of the levels and types of taxation in nineteen countries within the Organisation for Economic Co-operation and Development (OECD). A similar article covering the years 1969–1975 appeared in *Economic Trends* No. 290, December 1977. Articles making comparisons of this nature have appeared in *Economic Trends* regularly since 1969 but the earlier articles contained less country detail.

The figures in the tables for taxes on income, taxes on expenditure and social security contributions are based on returns supplied to the OECD by national statistical offices and summarised in *National Accounts of OECD Countries 1976* (Volume II – Detailed tables).* Taxes on capital – which in the national accounts presentation are included indistinguishably in capital transfers – have been derived from *Revenue Statistics of OECD Member Countries 1965–76.*

The definition of taxes and social security contributions used in *Revenue Statistics* differs from that used in the national accounts returns with the result that, even after allowing for capital taxes, the total figures do not agree. A further source of tax statistics similar in format to *Revenue Statistics* is *Tax Statistics 1970–76*, which is produced by the Statistical Office of the European Communities from returns submitted by the nine member countries. Once again there are differences between these figures and those shown in the other publications. More details of the differences in definitions are given in the technical note on page 101 of this article, together with a table comparing the three sets of figures in 1970 and 1976. Although there are some differences in the percentages derived from the three sources, the relative positions of the different countries are little affected.

Preference has been given to using national accounts data as the prime source for this article partly because the information is available earlier than *Revenue Statistics* and partly because the figures will be more consistent with other statistics which are frequently derived from the national accounts publication.

The national accounts returns are based as far as possible on the System of National Accounts introduced by the United Nations in 1968 (the 'present SNA'). However, many countries are still only able to provide figures on the basis of the previous system (the 'former SNA'). The tables in the Appendix are therefore divided into two sections, the first giving figures on the basis of the former SNA and the second figures on the basis of the present SNA. Figures for the United Kingdom are shown on both bases. The figures on one basis are not strictly comparable with those on the other although for most countries many of the figures are little affected by the change in definitions. The main differences between the two systems are described in the technical note at the end of this article.

* The figures for the United Kingdom are consistent with the data contained in *National Income and Expenditure 1967–77*.

Limitations of the comparisons

It is clear from what has been said above that there is no single, precise, definition of the term 'taxes and social security contributions'. In addition there are various other factors which affect analyses of this nature and which indicate that the comparisons should be regarded as giving only a broad indication of the relative importance of taxation in different countries.

First, differences between countries in their economic and financial structures will have an effect on both total taxation and the form of taxation. The degree of government involvement in the provision of services, the redistribution of income and the pursuit of other economic policy objectives will all affect the figures of relative tax levels.

Secondly, the comparisons are affected by the methods governments choose to achieve their aims. For example, assistance to industry or to households can be achieved either through systems of tax allowances, which beneficiaries can set against income before assessment of tax liability, thus reducing government tax receipts; or by a gross system under which the money is collected through the tax system and then handed back to beneficiaries by a system of cash grants. In practice, of course, most governments use a combination of both methods, but the balance between them varies.

Thirdly, the inclusion or exclusion of social security contributions can have a marked effect on comparisons between countries (see Table A). The importance of social security contributions is determined by the degree to which schemes are funded out of general taxation as well as by the degree of government involvement in the provision of pensions, etc.

Fourthly, differences in the economic and financial structures of the various countries can also affect the composition of taxes. For example, the division of taxes on income between households and corporations is affected by the extent to which smaller businesses are incorporated.

Finally, the figures relate to *total* tax yields in each country and thus reveal virtually nothing about the incidence of tax on different groups of individuals or institutions within each country.

Taxes and social security contributions as a percentage of gross national product at factor cost

In Table 1 of the Appendix the total of taxes is shown including social security contributions, because the latter are compulsorily levied by government. Taxes excluding social security contributions are shown in Table 2, but these figures do not entirely exclude the effect of social security schemes on taxation because of the differing degrees to which such schemes are financed from general

taxation rather than by direct contributions. Table 3 subdivides total taxes into five major categories: taxes on income of households (including unincorporated businesses); taxes on income of corporations; taxes on expenditure; taxes on capital; and social security contributions. Each category is shown as a percentage of gross national product at factor cost (GNP) in 1970 and 1976.

A summary of the percentages given in Tables 1 and 2, arranged in descending order of magnitude in 1970, is given in Table A below. This shows that there is much diversity among the countries in the percentage of gross national product taken by taxation. In 1976 Sweden was at the top of the list with taxes including social security contributions taking 58 per cent of the gross national product. Other countries with proportions in excess of 50 per cent were Norway, Denmark, and the Netherlands. These countries also had the highest percentages in 1970. At the other end of the scale – with percentages of less than 25 – were Japan and Spain.

For most countries included in the table there was a fairly steady increase in the percentage of GNP taken by taxes and social security contributions during the six-year period covered. The biggest increase was in Sweden with a rise of 12 percentage points. Other large increases occurred in Norway, Finland and Switzerland. For two countries – Canada and the United States – the 1976 percentage was virtually identical with that in 1970. For the United Kingdom in contrast the 1976 figure of 40 per cent was 3 percentage points below the 1970 figure, which was a peak year. Over the six-year period the percentage for the United Kingdom declined until 1973 and then rose in the following two years to be followed by a reduction in 1976.

The exclusion of social security contributions can have a marked effect on the percentages for some countries. Australia, because no separate social security contributions are collected, moves sharply up the rankings from twelfth to fifth place in 1976 and Canada, where social security contributions are relatively small, moves from tenth to sixth position. On the other hand, those countries where social security contributions form a fairly substantial part of total tax revenues move down the rankings. The Netherlands drops from fourth to eighth position, France from seventh to eleventh place, and Italy from eleventh to fifteenth. The United Kingdom's relative position is little affected in 1976 by the exclusion of social security contributions.

Percentage distribution of total taxes by category of tax

Table 4 of the Appendix shows the distribution of total taxes including social security contributions among the five major categories described above. Since employers' contributions to social security are akin to a tax on expenditure on wages and salaries (as far as the employer is concerned) these are also shown separately, where available, in Table 4.

Table B shows that in most countries there was an increase over the six years in the share of total taxes which was derived from taxes on household income. The biggest increases were in Australia, Finland and Belgium (each up by about 7 percentage points). For the United Kingdom there was a rise from 33 to 39 per cent; most of this increase occurred in 1975. In contrast, in Sweden and the USA the share fell, while in the Netherlands it remained almost unchanged throughout the period.

Taxes and social security contributions as a percentage of gross national product at factor cost

TABLE A

Including social security contributions

		1970	1976	
		Percentages	Percentages	Rank
1	Norway	48	55	2
2	Denmark	48	53	3
3	Sweden	46	58	1
4	Netherlands	44	51	4
5	United Kingdom	43	40	9
6	France	41	44	7
7	German Federal Republic	39	44	8
8	Belgium[1]	39	45	6
9	Canada	37	37	10
10	Finland[1]	37	46	5
11	Italy	33	36	11
12	United States	33	33	13
13	Australia	29	34	12
14	Greece[1]	28	30	15
15	Switzerland[1]	25	32	14
16	Japan[1]	22	22	17
17	Spain	19	23	16

Excluding social security contributions

		1970	1976	
		Percentages	Percentages	Rank
1	Denmark	46	52	1
2	United Kingdom	37	33	7
3	Sweden	37	45	2
4	Norway	37	40	3
5	Canada	34	33	6
6	Finland[1]	32	39	4
7	Australia	29	34	5
8	Netherlands	28	31	8
9	Belgium[1]	27	31	9
10	German Federal Republic	27	28	10
11	United States	26	25	12
12	France	26	26	11
13	Greece[1]	21	22	14
14	Italy	20	21	15
15	Switzerland[1]	19	23	13
16	Japan[1]	18	17	16
17	Spain	12	13	17

[1] Former SNA.

Percentage of total taxation (including social security contributions) derived from taxes on household income[1]

TABLE B

	1970	1976
Denmark	50	56
Sweden	47	44
Australia	38	45
Finland[2]	38	45
United States	35	33
Canada	33	35
United Kingdom	33	39
Netherlands	28	28
German Federal Republic	26	29
Belgium[2]	25	32
Japan	21	25
Italy	15	20
France	14	15
Spain	6	10

[1] Including payments by unincorporated businesses and, for those countries which have adopted the Present SNA, motor vehicle licence duties paid by households.
[2] Former SNA.

For most countries, apart from Japan, Australia and the United Kingdom there was little change in the share of total taxes derived from taxes on corporate income in 1970 and 1976 – see Table C.

As Table D shows, in almost all countries there were sharp declines in the percentages of tax revenue raised through taxes on expenditure between 1970 and 1976 and no country showed any increase. The largest falls were in Spain and Finland. Other large falls occurred in the United Kingdom, Italy, Belgium, the United States and Switzerland. The smallest fall was in Sweden – about one percentage point.

The share of total taxes provided by social security contributions increased steadily throughout the period in all countries except Denmark and Greece. For the United Kingdom the share rose from 14 to 19 per cent between 1970 and 1976.

Percentage of total taxation (including social security contributions) derived from taxes on corporate income

TABLE C

	1970	1976
Japan[1]	23	19
Australia	17	12
Spain	12	12
Canada	12	14
United States	12	13
United Kingdom	9	5
Belgium	7	7
France	7	7
Netherlands	7	7
Finland[1]	6	5
German Federal Republic	5	4
Italy	5	5
Sweden	4	3
Denmark	3	4

[1] Former SNA.

Percentage of total taxation (including social security contributions) derived from taxes on expenditure

TABLE D

	1970	1976
Greece	58	54
Spain	44	32
Norway	44	38
Canada	44	40
Finland[1]	43	34
France	43	37
Australia	43	41
United Kingdom	43	36
Denmark	42	39
Italy	41	32
Belgium[1]	37	29
German Federal Republic	37	31
Japan[1]	37	31
United States	32	29
Sweden	31	30
Switzerland	29	21
Netherlands	28	25

[1] Former SNA.

Receipts from taxes on capital are relatively small in most countries and the tendency has been for the contribution which these taxes made to the total to decline between 1970 and 1976.

Taxes on household income and social security contributions as a percentage of total personal income in 1970 and 1976

Part *a* of Table 5 shows how the proportions of total personal income[‡] taken by taxes on household income and by social security contributions changed between 1970 and 1976. Social security contributions comprise both employers' and employees' contributions as both form part of personal income for national accounts purposes.

An alternative approach, which may better reflect the impact of taxes and contributions as perceived by the taxpayer, is to include only employees' contributions[‡] to social security schemes in the calculations (i.e. to exclude employers' contributions from both total personal income and social security contributions). This has been done in part *b* of Table 5 for those countries which show the necessary analysis of social security contributions in their national accounts returns to OECD.

The percentages given in Table 5 are brought together in summary form in Table E below. In all countries for which information is available the proportion of household income taken by way of direct taxes and social security contributions increased between 1970 and 1976. The largest increase occurred in Finland, while the Netherlands and Belgium also showed fairly large increases. For the United Kingdom there was a rise of three percentage points. The overall effect of excluding employers' social security contributions is, of course, to reduce the size of the percentages except, as in Australia, where there are no separate contributions. However, the relative positions

‡ Described as 'total current receipts of households' in the OECD national accounts publication.
‡ Also includes contributions by the self-employed and non-employed.

Percentage of total personal income taken by taxes on income of households[1] and social security contributions

TABLE E

Including employers' contributions	1970	1976
Netherlands	27	31
Finland[2]	22	30
United Kingdom	21	24
Belgium[2]	21	25
France	20	23
United States	19	20
Canada	18	19
Italy	17	20
Australia	12	16
Spain	9	14

Excluding employers' contributions	1970	1976
Netherlands	21	24
Finland[2]	19	27
United Kingdom	18	20
Canada	16	16
United States	16	16
Belgium[2]	14	19
Australia	12	16
France	11	12
Italy	8	9
Spain	3	5

[1] Including payments by unincorporated businesses and, for those countries which have adopted the present SNA, motor vehicle licence duties paid by households.
[2] Former SNA.

of the countries (with the exception of France and Canada) do not change very much. The reductions are particularly large in 1976 in France and Italy where the total percentages, excluding employers' contributions, are reduced to half the corresponding figure including these contributions. For Spain, the variation is even more marked and the exclusion of employers' contributions reduces the percentage figure by two-thirds. These movements indicate the relative importance in these countries of employers' contributions in the financing of social security.

There are considerable variations among countries in the proportion of household income taken by direct tax and social security contributions. The figures range from around 15 per cent in Spain to over 30 per cent in the Netherlands but these percentages are influenced by the factors described above under 'limitations of the comparisons'.

Central Statistical Office

TECHNICAL NOTE

Differences between the UK system, the Former SNA and the Present SNA

The main differences between the three systems are summarised in the following table. Only figures based on the Former SNA and the Present SNA are included in the Appendix tables.

	UK system	Former SNA	Present SNA
Definition of gross national product at factor cost			
Net property income from abroad			
a Unremitted profits	Included	Excluded	Excluded
b Profits remitted abroad	Measured after deduction of tax	Measured before deduction of tax	Measured before deduction of tax
Rent income of public authorities (other than from dwellings)	Includes only capital consumption in place of imputed rents	Includes imputed rents before deducting interest and depreciation	Includes only capital consumption in place of imputed rents
Definition of taxes			
Taxes on income			
a Tax on profits remitted abroad	Included	Excluded[1]	Excluded[1]
b Motor vehicle licence duties paid by households	Excluded	Excluded	Included
c Taxes on capital gains and betterment levy[2]	Excluded	Excluded[3]	Included
Taxes on expenditure			
a Motor vehicle licence duties paid by households	Included	Included	Excluded
b Compulsory fees, fines and penalties	Included	Included	Excluded

[1] But included in the figures used in this article.
[2] This levy was introduced in the United Kingdom in 1967 as a charge on the development value of land.
[3] Included in taxes on capital in this article.

Differences between OECD national accounts statistics, OECD Revenue Statistics and SOEC Tax Statistics

The main differences in the classification and treatment of taxes in the three publications are as follows:

Item	National accounts	Revenue Statistics	Tax Statistics
Taxes on capital	Not identified	Identified	Identified
Profits above 'normal' transferred from public enterprises to government	Tax on expenditure	Non-tax revenue	Tax on expenditure
Radio and TV licences, if public authority does not provide the service	Tax on income	Non-tax revenue	Tax on income
Certain licences and fees – paid by households	Non-tax revenue	Tax on expenditure	Non-tax revenue
– paid by enterprises	Tax on expenditure	Non-tax revenue	Tax on expenditure
Time of recording	At time due to be paid	At time public authority receives the money	

The table on the next page shows for each country the effect that these differences have on the total tax figures contained in the three publications, and the ranking of the countries.

Total taxes including social security contributions
Percentage of GNP at factor cost, and ranking

	1970					1976				
	National accounts *a*		Revenue Statistics		Tax Statistics	National accounts *a*		Revenue Statistics		Tax Statistics
	Percentage	Rank	Percentage	Rank	Percentage	Percentage	Rank	Percentage	Rank	Percentage
Australia	28·6	15	29·1	15		33·9	12	34·4	13	
Austria *b*	42·4	6	42·2	6		..	..	45·8	7	
Belgium *b*	38·7	9	39·5	8	39·6	44·9	6	46·0	6	46·2
Canada	37·3	11	38·5	9		37·1	10	39·2	11	
Denmark	47·8	2	48·7	1	44·6	52·5	3	52·7	3	51·0
Finland *b*	36·8	12	37·5	10		46·5	5	47·3	5	
France	40·7	7	40·6	7	40·8	43·8	7	45·0	8	44·5
German Federal Republic	39·0	8	37·0	11	38·4	43·8	8	41·1	9	43·1
Greece *b*	28·3	16	27·2	16		29·9	15	30·6	15	
Irish Republic	38·0	10	35·7	12	36·2	..	..	..	..	..
Italy	33·2	13	33·7	13	33·3	36·2	11	39·2	12	36·7
Japan *b*	21·5	18	21·4	18		22·3	17	22·1	17	
Netherlands	44·4	4	44·1	4	44·1	51·2	4	50·9	4	50·9
Norway	47·9	1	45·6	3		55·0	2	53·3	2	
Spain	19·1	19	18·4	19		23·0	16	21·3	18	
Sweden	45·9	3	45·7	2		58·1	1	58·0	1	
Switzerland *b*	25·1	17	24·4	17		31·9	14	32·0	14	
United Kingdom	43·4	5	43·4	5	43·5	40·2	9	40·4	10	40·4
United States	32·9	14	32·1	14		33·0	13	30·1	16	

a Including taxes on capital.
b Based on Former SNA.

Re-arranging the percentages in the table above into descending order of magnitude puts the United Kingdom fifth in the list in 1970 according to both the national accounts data and Revenue Statistics. There are no major differences between the positions as shown by the two sources of any of the countries in this period. By 1976, however, the United Kingdom had moved down the list to ninth position on the national accounts basis and to tenth position according to Revenue Statistics. Other major changes shown by the national accounts data were Finland moving from twelfth to fifth position, while Sweden moved up from third to top position. A similar picture is shown by Revenue Statistics.

APPENDIX

Taxes including social security contributions as a percentage of gross national product at factor cost

TABLE 1

	Percentages						
	1970	1971	1972	1973	1974	1975	1976
Former SNA							
Austria	42·4	43·5	44·4	44·7	44·8	46·1	..
Belgium	38·7	39·5	39·3	40·2	41·4	44·4	44·9
Finland	36·8	38·8	39·4	40·7	39·0	40·8	46·5
Greece	28·3	28·2	27·7	26·0	26·1	27·4	29·9
Japan	21·5	21·9	22·1	22·7	24·8	22·4	22·3
Switzerland	25·1	24·7	25·3	27·4	28·1	30·4	31·9
United Kingdom	43·3	40·2	38·4	37·0	39·8	41·1	40·3
Present SNA							
Australia[1]	28·6	29·2	28·2	29·8	32·5	33·8	33·9
Canada	37·3	37·3	37·6	36·9	38·8	37·1	37·1
Denmark	47·8	51·4	51·8	52·6	54·1	50·5	52·5
France	40·7	39·8	40·1	40·5	41·2	42·1	43·8
German Federal Republic	39·0	39·8	40·4	42·8	43·0	42·4	43·8
Irish Republic	38·0	39·5	38·1	38·7	43·2	39·8	..
Italy	33·2	33·9	33·4	32·8	33·7	34·1	36·2
Netherlands	44·4	46·8	47·9	48·9	49·4	51·8	51·2
Norway	47·9	52·1	54·1	55·2	53·0	54·4	55·0
Spain	19·1	19·8	20·5	21·1	20·2	21·8	23·0
Sweden	45·9	49·3	50·5	48·9	49·5	52·5	58·1
United Kingdom	43·4	40·3	38·4	37·0	39·8	41·1	40·2
United States	32·9	32·2	33·3	33·4	34·2	32·3	33·0

[1] Fiscal years beginning on 1 July of year indicated.

Taxes excluding social security contributions as a percentage of gross national product at factor cost

TABLE 2

	Percentages						
	1970	1971	1972	1973	1974	1975	1976
Former SNA							
Austria	33·0	33·7	34·6	34·6	34·8	35·3	..
Belgium	27·2	27·6	27·1	27·8	28·8	30·6	31·0
Finland	31·8	33·4	34·1	34·7	33·4	34·2	39·0
Greece	20·8	20·7	20·2	19·0	19·2	20·1	22·1
Japan	17·5	17·8	17·8	18·6	20·2	17·0	16·9
Switzerland	19·4	18·9	19·5	20·1	20·5	21·9	23·1
United Kingdom	37·3	34·6	32·4	31·0	33·2	33·8	32·7
Present SNA							
Australia[1]	28·6	29·2	28·2	29·8	32·5	33·8	33·9
Canada	33·9	34·0	34·2	33·6	35·0	33·1	32·8
Denmark	45·6	49·1	49·3	51·3	53·2	49·6	51·7
France	25·9	24·8	25·0	25·2	25·2	24·6	25·7
German Federal Republic	26·7	27·2	27·2	28·7	28·5	27·3	28·2
Irish Republic	32·9	34·1	32·8	32·9	35·7	32·0	..
Italy	20·3	20·4	20·1	19·3	19·6	18·7	20·9
Netherlands	28·2	29·6	30·5	30·3	29·9	31·2	31·2
Norway	36·7	38·5	39·3	39·3	37·9	39·0	40·3
Spain	12·3	12·2	12·3	12·6	11·6	12·0	12·5
Sweden	37·2	39·8	40·4	39·1	39·8	42·2	44·5
United Kingdom	37·4	34·6	32·4	31·0	33·1	33·8	32·6
United States	26·3	25·5	26·4	25·7	26·1	24·4	25·2

[1] Fiscal years beginning on 1 July of year indicated.

Analysis of taxes by type of tax as a percentage of gross national product at factor cost in 1970 and 1976

TABLE 3

Percentages

	Taxes on income				Taxes on expenditure		Taxes on capital		Social security contributions			
	Households		Corporations						Total		*Of which:* Paid by employers	
	1970	1976	1970	1976	1970	1976	1970	1976	1970	1976	1970	1976
Former SNA												
Austria	12·2	13·2[2]	2·1	2·2[2]	18·6	19·8[2]	0·1	0·1[2]	9·4	10·8[2]	..	..
Belgium	9·7	14·5	2·7	3·2	14·4	13·0	0·4	0·3	11·5	13·9	7·7	9·4
Finland	13·9	20·9	2·0	2·2	15·9	15·7	0·1	0·2	4·9	7·5	3·2	4·6
Greece	3·4	..	0·6	..	16·5	16·1	0·4	0·4	7·5	7·8	..	..
Japan	4·5	5·5	4·8	4·3	8·0	7·0	0·2	0·2	3·9	5·4	..	..
Switzerland	..	..	..	..	7·2	6·8	0·7	0·5	5·7	8·9	..	..
United Kingdom	13·2	15·0	3·6	1·9	19·0	14·9	1·5	0·8	6·0	7·6	3·1	4·6
Present SNA												
Australia[1]	10·8	15·4	4·9	4·0	12·2	14·0	0·8	0·5	—	—	—	—
Canada	12·2	12·8	4·5	5·1	16·4	14·7	0·7	0·3	3·4	4·2	2·0	2·6
Denmark	24·0	29·5	1·2	1·8	20·3	20·2	0·2	0·2	2·2	0·8	0·8	..
France	5·5	6·4	2·7	3·0	17·4	16·2	0·3	0·2	14·8	18·1	10·7	12·9
German Federal Republic	10·0	12·5	2·1	1·9	14·5	13·8	0·1	0·1	12·3	15·6	6·3	8·2
Irish Republic	..	..	..	..	22·2	19·6[2]	0·4	0·4[2]	5·1	7·8[2]	..	..
Italy	5·1	7·3	1·5	1·9	13·5	11·7	0·2	0·1	12·9	15·3	10·3	13·0
Netherlands	12·3	14·4	3·0	3·6	12·6	13·0	0·3	0·2	16·2	20·1	8·3	10·3
Norway	..	..	..	..	21·2	21·1	0·1	0·1	11·2	14·7	..	..
Spain	1·2	2·3	2·4	2·7	8·5	7·4	0·2	0·1	6·9	10·5	5·6	8·5
Sweden	21·4	25·5	1·7	1·6	14·0	17·3	0·2	0·1	8·6	13·5	..	..
United Kingdom	14·2	15·7	3·9	2·0	18·4	14·5	0·9	0·4	6·0	7·6	3·1	4·6
United States	11·5	11·0	3·8	4·1	10·5	9·6	0·5	0·4	6·6	7·9	3·4	4·4

[1] Fiscal years beginning on 1 July of year indicated.
[2] In 1975

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4

	Percentages						
	1970	1971	1972	1973	1974	1975	1976
Former SNA							
Austria							
Taxes on income:							
Paid by households[1]	28·7	28·9	29·5	29·5	30·3	28·7	..
Paid by corporations	5·0	4·9	4·7	4·0	4·5	4·7	..
Total	33·7	33·8	34·2	33·6	34·8	33·3	..
Taxes on expenditure	43·9	43·4	43·6	43·7	42·7	43·1	..
Taxes on capital	0·2	0·2	0·2	0·1	0·1	0·2	..
Social security contributions	22·2	22·5	22·0	22·6	22·3	23·4	..
Belgium							
Taxes on income:							
Paid by households[1]	25·0	25·7	27·4	28·1	30·0	32·6	32·2
Paid by corporations	7·0	7·3	7·5	8·4	8·3	7·7	7·1
Total	31·9	33·0	34·9	36·5	38·2	40·3	39·3
Taxes on expenditure	37·3	35·7	33·3	31·7	30·6	28·0	28·9
Taxes on capital	1·0	1·0	0·9	0·8	0·7	0·8	0·7
Social security contributions	29·7	30·2	31·0	31·0	30·5	31·0	31·0
of which paid by employers	19·9	20·5	21·2	21·0	20·6	20·8	20·9
Finland							
Taxes on income:							
Paid by households[1]	37·7	38·6	40·0	40·4	42·7	43·5	45·0
Paid by corporations	5·5	4·5	4·6	5·3	4·6	4·5	4·7
Total	43·2	43·0	44·5	45·7	47·2	48·0	49·7
Taxes on expenditure	43·2	42·7	41·5	39·3	38·0	35·6	33·9
Taxes on capital	0·3	0·4	0·4	0·3	0·4	0·4	0·3
Social security contributions	13·4	13·9	13·6	14·7	14·4	16·1	16·2
of which paid by employers	8·8	9·3	9·2	9·7	10·1	10·5	9·9
Greece							
Taxes on income:							
Paid by households[1]	12·0	13·1	11·2	11·8	14·2	..	..
Paid by corporations	2·1	2·5	4·1	3·4	6·1	..	..
Total	14·1	15·6	15·2	15·2	20·3	15·1	19·0
Taxes on expenditure	58·2	56·4	55·8	56·7	52·2	57·1	53·7
Taxes on capital	1·4	1·6	1·7	1·4	1·1	1·1	1·3
Social security contributions	26·4	26·4	27·3	26·7	26·4	26·8	26·0
Japan							
Taxes on income:							
Paid by households[1]	21·0	22·6	24·0	25·4	24·9	23·7	24·5
Paid by corporations	22·5	21·9	20·1	21·3	25·1	20·8	19·0
Total	43·6	44·5	44·0	46·7	50·0	44·5	43·5
Taxes on expenditure	37·2	35·5	35·1	33·9	30·5	30·5	31·3
Taxes on capital	1·0	1·3	1·7	1·3	1·0	1·0	0·9
Social security contributions	18·3	18·6	19·2	18·2	18·5	24·0	24·3

[1] Households include unincorporated businesses.

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4 *(continued)*

	Percentages						
	1970	1971	1972	1973	1974	1975	1976
Former SNA							
Switzerland							
Taxes on income:							
Paid by households[1]	..	..	..	..	..	..	..
Paid by corporations	..	..	..	..	..	..	..
Total	45·7	45·8	45·7	45·9	47·2	48·4	49·3
Taxes on expenditure	28·7	28·0	28·5	25·2	23·3	21·8	21·2
Taxes on capital	2·8	2·8	3·1	2·3	2·2	1·8	1·7
Social security contributions	22·8	23·4	22·7	26·7	27·3	27·9	27·8
United Kingdom							
Taxes on income:							
Paid by households[1]	30·5	31·9	30·8	30·6	32·5	37·2	37·3
Paid by corporations	8·3	7·2	6·9	7·9	9·5	5·9	4·7
Total	38·8	39·1	37·7	38·4	42·0	43·1	42·0
Taxes on expenditure	43·9	43·6	43·2	41·9	38·4	36·9	37·1
Taxes on capital	3·5	3·3	3·5	3·4	2·9	2·2	2·0
Social security contributions	13·8	14·0	15·6	16·3	16·7	17·8	18·9
of which paid by employers	7·1	7·2	8·0	8·5	9·3	10·6	11·4
Present SNA							
Australia[2]							
Taxes on income:							
Paid by households[1]	37·7	39·2	38·8	40·9	44·4	43·9	45·4
Paid by corporations	16·9	15·8	15·4	15·0	14·0	12·4	11·9
Total	54·6	55·1	54·2	55·9	58·4	56·3	57·3
Taxes on expenditure	42·7	42·6	43·4	42·1	40·0	42·2	41·3
Taxes on capital	2·7	2·3	2·3	2·0	1·6	1·5	1·4
Social security contributions	—	—	—	—	—	—	—
Canada							
Taxes on income:							
Paid by households[1]	32·8	34·3	34·1	34·2	32·9	33·6	34·7
Paid by corporations	12·2	12·1	12·4	13·7	14·8	15·4	13·6
Total	45·0	46·4	46·5	47·8	47·6	48·9	48·3
Taxes on expenditure	44·0	43·4	43·5	42·2	41·9	39·5	39·6
Taxes on capital	2·0	1·4	1·2	1·0	0·7	0·7	0·7
Social security contributions	9·0	8·7	8·9	9·0	9·8	10·8	11·4
of which paid by employers	5·4	5·2	5·4	5·7	6·0	6·6	7·0
Denmark							
Taxes on income:							
Paid by households[1]	50·2	53·6	53·4	55·7	59·5	57·7	56·1
Paid by corporations	2·5	2·3	2·1	3·0	3·1	2·8	3·5
Total	52·7	55·9	55·5	58·7	62·6	60·5	59·6
Taxes on expenditure	42·4	39·4	39·3	38·5	35·4	37·4	38·5
Taxes on capital	0·4	0·3	0·4	0·4	0·3	0·4	0·4
Social security contributions	4·6	4·5	4·7	2·4	1·7	1·7	1·6
of which paid by employers	1·7	1·6	1·8	1·3	1·1	1·1	..

[1] Households include unincorporated businesses.
[2] Fiscal years beginning on 1 July of year indicated.

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4 *(continued)*

	Percentages						
	1970	1971	1972	1973	1974	1975	1976
Present SNA							
France							
Taxes on income:							
Paid by households[1]	13·5	12·9	13·1	13·2	12·4	13·9	14·6
Paid by corporations	6·7	6·2	6·2	6·5	8·1	5·9	6·8
Total	20·2	19·1	19·3	19·7	20·5	19·7	21·4
Taxes on expenditure	42·8	42·7	42·5	41·9	39·9	38·1	36·8
Taxes on capital	0·7	0·5	0·6	0·6	0·6	0·7	0·5
Social security contributions	36·3	37·7	37·7	37·8	38·9	41·5	41·3
of which paid by employers	26·3	27·4	27·0	27·2	28·0	29·8	29·5
German Federal Republic							
Taxes on income:							
Paid by households[1]	25·8	27·6	26·8	28·7	29·9	28·1	28·5
Paid by corporations	5·3	4·3	4·0	4·5	4·0	3·7	4·2
Total	31·1	32·0	30·8	33·1	34·0	31·8	32·7
Taxes on expenditure	37·2	36·2	36·3	33·9	32·3	32·5	31·4
Taxes on capital	0·2	0·2	0·2	0·1	0·1	0·1	0·2
Social security contributions	31·5	31·7	32·7	32·9	33·6	35·6	35·6
of which paid by employers	16·3	16·7	17·4	17·5	17·9	18·8	18·7
Irish Republic							
Taxes on income:							
Paid by households[1]	..	..	..	..	..	..	..
Paid by corporations	..	..	..	..	..	..	..
Total	27·1	28·9	27·9	28·8	29·1	30·1	..
Taxes on expenditure	58·4	56·2	56·3	54·6	52·1	49·3	..
Taxes on capital	1·2	1·4	1·8	1·6	1·6	1·1	..
Social security contributions	13·3	13·5	14·0	15·0	17·3	19·5	..
Italy							
Taxes on income:							
Paid by households[1]	15·3	15·9	17·3	17·1	17·6	18·5	20·0
Paid by corporations	4·6	4·3	5·1	4·7	3·9	4·8	5·2
Total	19·9	20·2	22·4	21·8	21·5	23·3	25·3
Taxes on expenditure	40·6	39·5	37·3	36·5	36·2	31·5	32·3
Taxes on capital	0·7	0·7	0·6	0·4	0·3	0·2	0·2
Social security contributions	38·8	39·6	39·7	41·3	42·0	45·1	42·2
of which paid by employers	30·9	31·6	31·4	32·7	34·7	37·5	35·8
Netherlands							
Taxes on income:							
Paid by households[1]	27·8	28·1	28·8	28·1	28·4	27·9	28·2
Paid by corporations	6·6	7·0	6·6	6·7	6·7	7·6	6·9
Total	34·4	35·1	35·5	34·8	35·0	35·6	35·1
Taxes on expenditure	28·5	27·7	27·9	26·7	24·9	24·4	25·3
Taxes on capital	0·6	0·5	0·5	0·5	0·5	0·4	0·4
Social security contributions	36·5	36·7	36·2	38·1	39·6	39·7	39·2
of which paid by employers	18·7	18·9	18·2	19·5	20·2	20·2	20·1

[1] Households include unincorporated businesses.

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4 *(continued)*

	Percentages						
	1970	1971	1972	1973	1974	1975	1976
Present SNA							
Norway							
Taxes on income:							
Paid by households[1]	..	..	..	..	..	..	..
Paid by corporations	..	..	..	..	..	..	..
Total	32·1	32·1	32·6	32·7	33·4	33·8	34·9
Taxes on expenditure	44·2	41·6	39·9	38·3	38·0	37·7	38·3
Taxes on capital	0·2	0·2	0·2	0·2	0·3	0·2	0·2
Social security contributions	23·5	26·1	27·3	28·8	28·4	28·3	26·7
Spain							
Taxes on income:							
Paid by households[1]	6·4	7·1	7·2	8·0	8·7	9·3	10·1
Paid by corporations	12·3	12·3	11·6	11·0	11·2	11·2	11·6
Total	18·7	19·4	18·8	19·0	20·0	20·5	21·7
Taxes on expenditure	44·5	41·3	40·3	39·9	36·5	33·5	32·2
Taxes on capital	0·8	0·8	0·9	0·8	0·8	0·8	0·6
Social security contributions	35·9	38·5	40·0	40·2	42·7	45·3	45·5
of which paid by employers	29·3	30·8	32·1	32·2	34·4	36·9	37·1
Sweden							
Taxes on income:							
Paid by households[1]	46·6	44·1	44·3	42·1	45·3	46·3	43·9
Paid by corporations	3·8	3·1	2·6	3·0	3·4	2·7	2·7
Total	50·4	47·2	46·9	45·1	48·7	49·0	46·6
Taxes on expenditure	30·5	33·2	32·8	34·6	31·3	31·2	29·8
Taxes on capital	0·4	0·3	0·3	0·3	0·3	0·3	0·2
Social security contributions	18·8	19·3	20·0	20·0	19·7	19·5	23·3
United Kingdom							
Taxes on income:							
Paid by households[1]	32·7	34·0	32·9	33·0	34·9	39·3	39·2
Paid by corporations	8·9	7·7	7·3	8·3	9·7	6·2	5·0
Total	41·6	41·7	40·2	41·3	44·6	45·5	44·2
Taxes on expenditure	42·5	42·3	41·9	40·7	37·4	35·8	36·0
Taxes on capital	2·0	2·0	2·3	1·7	1·3	0·8	0·9
Social security contributions	13·9	14·0	15·6	16·3	16·8	17·9	18·9
of which paid by employers	7·1	7·2	8·0	8·5	9·4	10·6	11·4
United States							
Taxes on income:							
Paid by households[1]	34·9	32·5	34·7	33·2	34·2	32·7	33·4
Paid by corporations	11·7	12·1	11·6	12·2	11·8	11·1	12·5
Total	46·6	44·5	46·4	45·4	46·0	43·7	45·9
Taxes on expenditure	31·9	33·1	31·1	30·1	29·1	30·6	29·0
Taxes on capital	1·6	1·6	1·9	1·6	1·5	1·3	1·3
Social security contributions	19·9	20·8	20·6	22·9	23·5	24·3	23·8
of which paid by employers	10·4	10·9	11·1	12·3	12·7	13·2	13·2

[1] Households include unincorporated businesses.

Taxes on income of households[1] and social security contributions as a percentage of total personal income in 1970 and 1976

TABLE 5

Percentages

	1970			1976		
	Taxes on income	Social security contributions	Total	Taxes on income	Social security contributions	Total
***a* Including employers' contributions**						
Former SNA						
Austria	12·6	9·7	22·3	..	..	..
Belgium	9·4	11·2	20·6	12·9	12·4	25·3
Finland	15·9	5·7	21·6	22·3	8·0	30·3
Greece	3·3	7·3	10·6	..	..	..
Japan	5·8	5·0	10·8	6·1	6·1	12·2
United Kingdom	13·8	6·2	20·0	15·4	7·8	23·2
Present SNA						
Australia[2]	12·2	—	12·2	16·0	—	16·0
Canada	13·7	3·8	17·5	14·0	4·6	18·6
Denmark	23·4	2·1	25·5	28·5	0·8	29·3
France	5·4	14·5	19·9	5·9	16·7	22·6
German Federal Republic	10·1	12·3	22·4	..	..	..
Italy	4·8	12·1	16·9	6·3	13·2	19·5
Netherlands	11·8	15·5	27·3	12·8	17·8	30·6
Spain	1·4	7·6	9·0	2·5	11·0	13·5
Sweden	22·2	9·0	31·2	23·5	12·5	36·0
United Kingdom	14·8	6·2	21·0	16·1	7·8	23·9
United States	12·3	7·0	19·3	11·8	8·4	20·2
***b* Excluding employers' contributions**						
Former SNA						
Belgium	10·1	4·0	14·1	14·1	4·4	18·5
Finland	16·5	2·0	18·5	23·4	3·3	26·7
United Kingdom	14·2	3·2	17·4	16·1	3·3	19·4
Present SNA						
Australia[2]	12·2	—	12·2	16·0	—	16·0
Canada	14·0	1·6	15·6	14·4	1·8	16·2
Denmark	23·6	1·4	25·0	..	..	(28·9)[3]
France	6·0	4·5	10·5	6·7	5·4	12·1
German Federal Republic	10·7	6·3	17·0	..	..	..
Italy	5·3	2·7	8·0	7·1	2·3	9·4
Netherlands	12·8	8·2	21·0	14·1	9·6	23·7
Spain	1·5	1·5	3·0	2·7	2·2	4·9
United Kingdom	15·2	3·2	18·4	16·9	3·3	20·2
United States	12·7	3·5	16·2	12·3	3·9	16·2

[1] Households include unincorporated businesses.
[2] Fiscal years beginning on 1 July of year indicated.
[3] Partly estimated; employers' contribution based on share in 1975.

Financial balances of industrial and commercial companies

C. W. PETTIGREW, Central Statistical Office

Introduction

The Central Statistical Office (CSO) has received from a number of different sources suggestions for introducing a new financial indicator for the industrial and commercial (I and C) companies sector. In government publications, the financial position of I and C companies is measured at present principally by the net acquisition of financial assets (NAFA), which is the amount by which companies are in surplus or deficit after deducting domestic expenditure on physical assets from undistributed income (saving) *plus* net capital transfers. The use of NAFA as an indicator of the financial position of I and C companies has been criticised for a number of reasons.

This article explains and discusses the criticisms of NAFA and describes a new balance – the net borrowing requirement – which will be introduced in the January 1979 issue of *Financial Statistics* in addition to the existing presentations. The article deals only with the measurement of the I and C companies' financial position and is not concerned with the economic significance of the underlying figures. Thus references in the article to the surplus/deficit being 'more favourable' or 'less favourable' are not meant to imply that a surplus or deficit is in itself either desirable or undesirable.

The new balance will measure the amount by which I and C companies' expenditure on fixed assets, stocks, trade investments, acquisition of subsidiaries in the United Kingdom, investment abroad and net trade credit extended exceeds the increase in their internal funds; in other words, their need for external finance, net of financial assets. The trends in recent years shown by this balance are compared with those of NAFA, and differences between them are analysed. In particular, the period leading up to the 'liquidity crisis' in 1974 is examined. The article is followed by an Appendix which explains in more detail the concepts underlying the presentation of NAFA in the national accounts and why these concepts must remain unchanged. Some further background material to the new balance and a description of some of the other balances considered is also given.

The author would like to acknowledge help received in the preparation of this article from colleagues in the Central Statistical Office and elsewhere.

Structure of the accounts

Three main presentations for I and C companies are published in *Financial Statistics:* an appropriation account (Table 9.1), a financial account (Table 1.6) and a sources and uses of funds account (Table 9.2). The appropriation account and the financial account are linked by a capital account, which is summarised as part of Table 1.1 in *Financial Statistics*. The balance of the capital account is NAFA. These presentations are described in an article in *Statistical News*[1] and in sections 1 and 9 of *Financial Statistics Explanatory handbook*.

NAFA is a national accounting convention* – in effect the dividing line between the income, expenditure and capital accounts and the financial account – which is applied to all sectors of the economy. Conceptually, the NAFAs for each of the five main domestic sectors *plus* that of the overseas sector (the current balance in the balance of payments accounts) sum to zero. This property is useful when trends in the net financial position of all sectors of the economy are described in relation to each other because the surpluses of some sectors are reflected in the deficits of the other sectors. The national accounting concepts on which these presentations are based are described in the Appendix to this article. These concepts remain valid and the CSO does not consider it desirable to make any changes to the fundamental structure of the accounts. Moreover, the treatment of retained profits in the measurement of national income is considered conceptually correct despite being at variance with the guidelines for national accounts published by the United Nations.[2] The reasons for this view are also developed more fully in the Appendix.

NAFA is the difference between a sector's undistributed income, adjusted for investment grants, taxes on capital and other capital transfers, and its expenditure on investment in fixed assets and stocks in the United Kingdom. Alternatively, it is the sum of changes in the sector's financial assets and liabilities. If the sector is in surplus, it is described as a net lender to other sectors; conversely if the sector is in deficit, it is a net borrower from other sectors.

The capital and financial accounts provide a framework within which the transactions for each sector are classified systematically to facilitate study of the relationships between the sectors. However, it has been found that a different presentation is sometimes more helpful when looking at individual sectors in isolation. Alternative financial indicators for the public sector (the public sector borrowing requirement) and the overseas sector (the balance for official financing) are already given in CSO publications, and alternative financial balances for I and C companies have been published elsewhere. For example, since March 1971 the *Bank of England Quarterly Bulletin* has shown the total requiring financing, which takes into account not only companies' capital expenditure in the United Kingdom but also their expenditure on trade investments and the acquisition of subsidiaries in the United Kingdom, long-term investment abroad and import deposits. Stockbrokers Phillips & Drew give an alternative balance for I and C companies in their monthly *Economic Forecasts*, taking the official series for the companies' surplus/deficit (NAFA) and adjusting for investment overseas by UK companies and profits due abroad. Each of these alternative balances is a re-arrangement of the official national accounts statistics.

* The conventions used are described in *Financial Statistics Explanatory handbook* October 1977 (HMSO), pages 7–9.

Criticisms of NAFA

NAFA has been criticised for three main reasons. First, it excludes the retained profits of UK affiliates of foreign companies and includes those of overseas affiliates of UK companies. Secondly, the transactions in goods and services on which NAFA is based are measured at the point when income is earned and expenditure incurred rather than when payment is received or made. Trade credit is treated as a financial transaction 'below the line'. So NAFA does not measure the cash position of I and C companies. Thirdly, the definition of investment used in arriving at NAFA is considered too narrow for some purposes.

The need for an alternative balance for I and C companies was raised by stockbrokers Phillips & Drew in an article in their *Market Review*[3]. Further discussion of this topic took place at the Statistics Users Conference on financial statistics in November 1977 and the CSO indicated that the provision of an alternative balance was being investigated. At the same conference, the Confederation of British Industry (CBI) presented a paper* describing a new CBI survey of corporate net liquidity designed to assess trends in the financial position of manufacturing companies. The survey measures expectations of trend rather than the amount of liquidity; it is based on the definition of liquid assets used by the CSO in Table 9.3 of *Financial Statistics*. The treatment of retained profits has been criticised by the Research Panel of the Committee to Review the Functioning of Financial Institutions (the Wilson Committee).

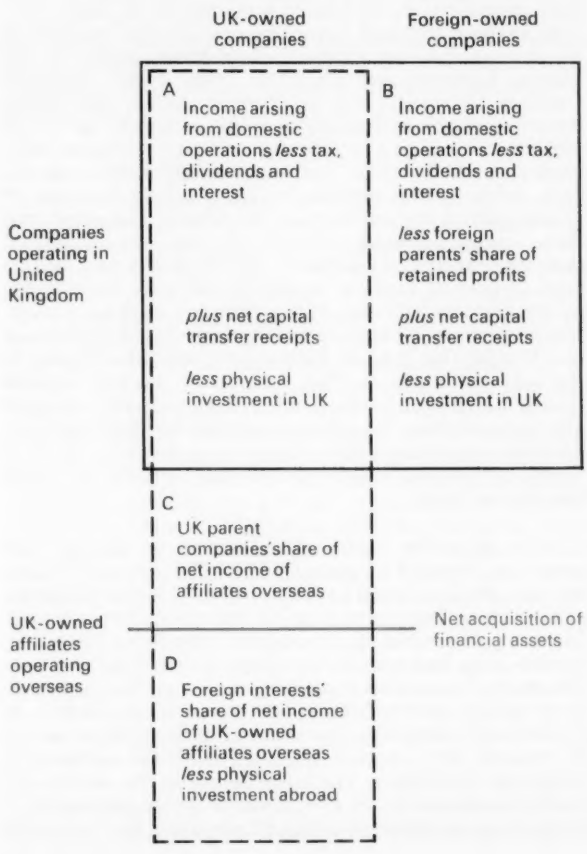
Retained profits

In the measurement of NAFA, investment in fixed assets and stocks is restricted to domestic investment by all I and C companies in the United Kingdom (including investment by UK registered affiliates of foreign parent companies, which is not separately distinguished). However, the undistributed income of the companies excludes the after-tax profits, net of depreciation, of foreign companies' UK branches and foreign parent companies' share of the net profits of their UK subsidiaries and associate companies, whether those profits are remitted overseas or are retained in the United Kingdom. To the extent that investment in the United Kingdom by those foreign-owned affiliates is financed by retained profits, it can be argued that the cash position of I and C companies is really more favourable than is shown by NAFA. Conversely, the after-tax profits, net of depreciation, of overseas branches of UK companies, and UK parent companies' share of the profits of their subsidiary and associate companies overseas, are included whether or not those profits are remitted to the United Kingdom. The inclusion of profits retained abroad means that the cash position of UK companies is less favourable than is shown by NAFA because the funds will have been reinvested abroad and are thus not available for investment in the United Kingdom.

NAFA thus covers income arising from the domestic operations of UK-owned companies *plus* their share of the income of affiliates overseas, including retained profits; it excludes most of the income arising from the domestic operations of foreign-owned UK companies. For both types of company, the balance is struck after the addition of net capital transfer receipts and the deduction of investment in fixed assets and stocks in the United Kingdom. Physical investment abroad by UK companies or by their overseas affiliates is not taken into account. Consequently the balance does not relate strictly to the financial position of companies operating in the United Kingdom nor to that of the world-wide operations of UK-owned companies. The composition of NAFA in terms of these types of company is illustrated in Figure 1. Segments A+B+C represent the coverage of the I and C companies sector in the national accounts while segments A+C+D represent the world-wide activities of UK-owned companies. Although it might be useful to sub-divide the company sector in the national accounts between UK-owned companies operating in the United Kingdom and foreign-owned companies operating in the United Kingdom (respectively segments A and B in Figure 1), in practice this is not done because of difficulties in collecting the necessary data. Information available on the activities of foreign-owned UK affiliates is restricted to statistics collected in the overseas direct

FIGURE 1

Composition of NAFA


UK-owned companies
Foreign-owned companies
A
Income arising from domestic operations *less* tax, dividends and interest
plus net capital transfer receipts
less physical investment in UK
B
Income arising from domestic operations *less* tax, dividends and interest
less foreign parents' share of retained profits
plus net capital transfer receipts
less physical investment in UK
Companies operating in United Kingdom
C
UK parent companies' share of net income of affiliates overseas
UK-owned affiliates operating overseas
Net acquisition of financial assets
D
Foreign interests' share of net income of UK-owned affiliates overseas *less* physical investment abroad

* Papers presented at the conference and a summary of the discussion are given in *Statistics Users Conference on Financial Statistics, November 1977. Report of proceedings* (Bank of England, 1977).

Sector surplus/deficit of industrial and commercial companies[1]

TABLE 1

	£ million							
	1971	1972	1973	1974	1975	1976	1977	Total 1971–77
Surplus/deficit (NAFA)	587	754	−1,338	−4,507	− 685	−1,297	−2,401	− 8,887
less Unremitted profits of UK-owned subsidiaries and associates overseas ..	−289	−395	− 761	− 791	− 846	−1,340	−1,149	− 5,571
plus Unremitted profits of foreign-owned subsidiaries and associates in United Kingdom	228	321	368	260	224	204	1,058	2,663
Surplus/deficit adjusted for unremitted profits	526	680	−1,731	−5,038	−1,307	−2,433	−2,492	−11,795

[1] Figures are consistent with those given in *National Income and Expenditure 1967–77* (HMSO December 1978).

investment enquiries for use in the balance of payments accounts, including details of profits, investment transactions with parent companies and trade credit transactions.

In practice, the division between the segments in Figure 1 is not entirely clear cut because of data deficiencies. While some UK-registered company groups operate wholly in the United Kingdom and others wholly abroad, many operate partly at home and partly abroad. In their annual reports and accounts, companies do not fully distinguish their operations in the United Kingdom from those overseas, so these accounts cannot be used for that purpose as a source of statistics. Gross trading profits earned in the United Kingdom are estimated from Inland Revenue statistics obtained from tax records. While the Inland Revenue are able to distinguish profits earned by individual companies operating mainly in the United Kingdom from profits earned by those operating mainly abroad, that is only a first approximation to distinguishing between all profits earned on activities in the United Kingdom and those earned abroad. When activities are conducted through branches, the estimates of UK profits may include some profits of overseas branches and may exclude the profits of some branches in the United Kingdom of overseas companies; a small and uncertainly-based adjustment to allow for this is made before including these figures in the national accounts. The accruals of income between related companies in the United Kingdom and overseas are estimated from the overseas direct investment enquiries. Although these enquiries cover a large number of companies, returns are completed voluntarily and the estimates may be incomplete.

In the past, the profits of UK-owned subsidiaries and associates abroad have generally exceeded those of foreign-owned subsidiaries and associates in the United Kingdom and the same has been true of the unremitted element of those profits, leading to an over-statement of the sector surplus or an under-statement of the deficit. Table 1 shows the effect of removing those unremitted profits, so far as they can be identified, from the sector surplus/deficit of I and C companies. The figures presented in Table 1 should be treated with caution because those for unremitted profits are incomplete. The latter comprise the unremitted profits of non-oil I and C companies which are reported in the overseas direct investment enquiries *plus* estimates for the unremitted element of that part of the profits of UK subsidiaries of foreign oil companies which are included in 'profits due abroad' in the appropriation account and in 'interest, profits and dividends' debits in the balance of payments accounts. Some UK subsidiaries' profits are netted off in the balance of payments accounts against the profits of UK oil companies' subsidiaries overseas and the unremitted element of these net profits is not included in the table because comprehensive figures are not available. The figures in Table 1 differ from those published in Table 5.2 of *United Kingdom Balance of Payments 1967–77* (the Pink Book) because the latter include the unremitted profits of banks and insurance companies but exclude those of oil companies. Neither series includes the unremitted profits of branches.

The adjustment for unremitted profits substantially increases the sector deficit in recent years – in the seven years 1971–1977 by over £2,900 million – but the growing impact of North Sea oil operations may in time reverse this situation. Foreign-owned oil companies have already invested heavily in North Sea oil exploration and a substantial part of the profits arising from this investment, as production of oil gets under way, may be re-invested. Thus the unremitted profits of foreign-owned subsidiaries in the United Kingdom may, in the next few years, exceed for a while those of UK subsidiaries abroad. NAFA would then understate the companies' cash surplus or overstate their deficit.

Table 1 excludes the unremitted profits of branches which are not separately reported. Some rough estimates for *all* companies other than oil companies, including financial companies, are given in Tables 9.1 and 9.2 of the Pink Book. As shown in Table 2, in the period 1973–77 the unremitted profits of these branches are estimated to have been quite small. A quarterly breakdown of these estimates is not available and, because they are small, they have been ignored.

Trade credit and other accruals

In the national accounts, expenditure is recorded when it is incurred (on an accruals basis) rather than when payment is made (on a cash basis). Differences between accruals and cash payments are regarded as financial

Unremitted profits of branches – all companies (excluding oil companies)

TABLE 2

	£ million				
	1973	1974	1975	1976	1977
UK–owned branches overseas	41	14	53	17	46
Foreign-owned branches in United Kingdom	5	4	11	6	10
Net	36	10	42	11	36

transactions and, when they can be identified, are recorded as credit given or received. Trade credit transactions are an important item in the cash flow of individual companies. The companies' liquidity is squeezed when creditors press for early settlement or when debtors delay payment. When looking at I and C companies in aggregate, transactions between companies cancel out, but the net amount of credit given to or received from other sectors is substantial and significant changes can affect the I and C companies' finances.

A related item is import deposits. Between November 1968 and December 1970, importers were required to place on deposit with HM Customs and Excise part of the value (initially 50 per cent, subsequently reduced by stages to 20 per cent) of most manufactured and semi-manufactured goods before taking possession. Except where such deposits were paid by non-resident exporters on behalf of UK companies, these deposits had to be paid out of their own resources or financed by additional borrowing. It has been suggested that, in addition to adjusting the surplus/deficit for unremitted profits, both trade credit and import deposits should be taken into account in arriving at the companies' financial position.

Another type of accrual which affects the cash position of companies is the collection by them, on behalf of the Government, of taxes payable by the personal sector or by other companies. Income tax and national insurance contributions deducted at source from the wages and salaries of employees are not paid over immediately to the Inland Revenue, and thus for a period swell the liquid assets of the companies. Similarly there is a time lag between the accrual of the value added tax and car tax charged to final buyers on sales by the companies and subsequent payments made to the collecting revenue departments. In earlier years the collection of purchase tax and selective employment tax operated in a similar way. The size of these taxes and the timing of their payment to the collecting revenue departments is determined by Parliament and is therefore outside the companies' control. Changes in companies' cash balances in respect of these taxes, for which they are effectively acting as collecting agents for the Government, can have a significant impact on their finances, particularly when there is a change in the arrangements for collection or when new taxes are introduced. Significant differences between accrual and payment have also been identified for local authority rates, North Sea oil royalties, central government expenditure on goods and services, and interest on bank deposits and advances.

Investment

As noted above, investment in fixed assets and stocks outside the United Kingdom is not taken into account in arriving at the net acquisition of financial assets. In analysing company behaviour, however, it may be more relevant to use a wider definition of investment. Investment decisions are taken for the company group as a whole, and for some companies may involve a choice between how much expansion should take place in the United Kingdom and how much abroad. If investment in fixed assets by an overseas subsidiary is financed locally or by retained profits, no extra finance is required from the UK parent; but if finance is provided by the parent remitting funds to the subsidiary, this will have an affect on the UK companies' total financial position. Alternatively, there may be a choice between the construction of a new factory or the acquisition of existing productive capacity through the take-over of another company either in this country or abroad, or by setting up a branch or subsidiary abroad. The acquisition of a subsidiary or of a trade investment in another company will only affect the financial position of the company sector as a whole to the extent that such purchases are made from outside the company sector – for example, by buying existing shares from financial institutions, from individuals or from overseas residents. In their alternative presentation of the I and C companies sector (Table 29/7 in the September 1978 issue of the *Quarterly Bulletin*), the Bank of England adjust for both of these categories of investment, and also in earlier years for import deposits, in arriving at the total requiring financing. These transactions are substantial; in the last five years they have averaged nearly £1,300 million a year compared with average domestic capital expenditure of some £7,000 million in the same period.

An alternative balance

There is no single balance for I and C companies which will suit all users of the statistics. On the one hand, some will be interested mainly in the domestic activities of the companies, for example, in the context of the effect on UK employment, while others, notably stockbrokers and investment managers, will be more concerned with the world-wide activities of UK-owned companies, and in particular with their cash flow. If enough detail is published, users can of course construct their own preferred balance or balances. There are, however, limits to the amount of detail which can be given, either because of a lack of reliable disaggregated data or in order to maintain clarity of presentation. On the other hand, the argument has been advanced that it is wrong to present companies' finances in terms of balances because decisions about sources and uses of funds are likely to be taken in the context of a single financial plan, in which decisions on how and where to obtain cash and decisions on investment in fixed and working capital are taken together rather than independently. Supporters of this argument would prefer to see just a statement of sources and uses of funds. Nonetheless, the amount of external finance required by I and C companies as a whole is sufficiently important to be highlighted in the form of a balance. The problem then is how to define this balance.

In seeking to meet the needs of those concerned with the financial position of I and C companies operating in

the United Kingdom, it is helpful first to identify those aggregates in which interest lies. There are four main points at which balances could be struck.

a The amount of internal funds generated by the companies' trading and investment activities.

b The amount of internal funds available to finance investment and working capital, after payments of interest and taxes and distributions to shareholders.

c The amount of external funds required in addition to internally generated funds to finance the chosen level of trading and investment by the companies.

d The net liquidity of I and C companies.

Balances *c* and *d* are complementary to balances *a* and *b*. There may be disagreement about the coverage and definition of these balances, but their usefulness is unlikely to be in doubt. Net liquidity (balance *d*) is essentially a short-term indicator, which might be used when considering how companies can cope with short-term problems such as financing an increase in stocks. Balance *c* includes not only short-term borrowing and liquid assets but also long-term borrowing, and would be more relevant when looking at the financial position of companies in a wider context, such as the problems raised by an increase in investment. In arriving at this balance, balances *a* and *b* can be shown as well.

The total income of I and C companies given in the appropriation account (Table 9.1 in *Financial Statistics*) could be taken to represent balance *a*. The present series may be unsatisfactory to the extent that it is calculated before provision for stock appreciation and includes the unremitted profits of overseas affiliates of UK parents. Figures for stock appreciation are already published in the table, and a figure for unremitted profits will be given in the table in future, enabling the user to exclude these if desired (the new presentation is given in Table 3). The deduction of provision for depreciation is probably not desirable in the context of studying the companies' financial position. Depreciation is deducted in calculating national income, and figures are published in Table 5.6 of the national income Blue Book of the total income and undistributed income of I and C companies after providing for depreciation and stock appreciation to show the companies' contribution to the national income. However, provisions for depreciation reduce the amount of income available for distribution and increase the internal funds of companies available for investment. For analytical purposes it is therefore better to look at total income before provision for depreciation. It is worth noting that figures for the gross income of I and C companies net of unremitted profits of overseas subsidiaries and associates have, since 1975, been given in the article on the structure of company financing published by the Department of Industry (the latest article appeared in *Trade and Industry* on 3 February 1978).

The series 'balance, undistributed income', also given in the appropriation account, approximates to balance *b*. It is subject to the criticism that it is struck before provision for stock appreciation, includes the unremitted profits of UK companies' overseas affiliates and excludes those of foreign-owned UK affiliates. As mentioned above, in future unremitted profits will be shown separately in the table; an alternative series for undistributed income, adjusted to include the unremitted profits of foreign-owned UK affiliates and to exclude those of UK affiliates overseas will be given as a memorandum item and carried forward into the sources and uses table. As with balance *a*, the user can deduct stock appreciation if desired. Further adjustments are necessary for capital transfer receipts and payments and for the increase in tax balances‡. Capital transfers are currently shown in the capital account and tax balances are included in the 'accruals adjustment' in the financial account. A balance for internal funds does not emerge from the existing appropriation account, and it would be easier to show internal funds as a new series in the sources and uses table. In that table capital transfers are in fact already shown separately but the change in tax balances is not distinguished. The sources and uses of funds table (Table 9.2 in *Financial Statistics*) will be re-arranged to enable total internal funds to be identified (the new version is shown in Table 4).

Balance *c* raises a number of questions of definition. Should the amount of external funds required to finance the companies' chosen level of trading and investment reflect only borrowing, or should liquid and other financial assets be deducted; and should trade credit be taken into account? Companies will sometimes be in a position to finance their activities by running down liquid assets while other companies may need to borrow from banks or other sources. Borrowing may lead to an initial increase in liquid assets until payment for investment is made. Furthermore, within the company sector as a whole, some companies will be in surplus (and adding to liquid assets or repaying borrowing) while others will be in deficit (and reducing liquid assets or increasing borrowing). Companies normally need to hold a certain minimum level of cash and bank deposits to facilitate the day to day running of their business. This level will tend to grow as the business expands and with inflation, and such increases could be classified as an item requiring financing. However, as the size of this component of liquid assets cannot be measured, and as changes in it are likely to be less important than other fluctuations in liquid assets, it is considered better to deduct all changes in liquid assets from changes in borrowing when looking at the company sector as a whole. The treatment of trade credit is less obvious. Companies will sometimes be able to choose between buying and selling goods on credit or paying/receiving cash. But even if there is no formal extension of credit, the actual settlement will not always occur immediately. Payments by debtors will often be outside the companies' control and they may have to resort to borrowing to finance their net debtor position. On balance it may be better to treat trade credit extended, net of trade credit received, as something which has to be financed. An important consideration is the poor quality of trade credit figures. The only figures available for I and C companies at present are those for instalment credit extended by retailers and credit on imports and exports, which are obtained from two separate statistical enquiries to companies, and

‡ Income tax, value added tax, car tax, national insurance contributions and, in earlier years, purchase tax and selective employment tax collected by companies and not yet paid to the revenue departments.

credit granted to and received from public corporations which is estimated from returns received from public corporations. Credit extended to individuals and unincorporated businesses (other than instalment credit), and credit received from unincorporated businesses, are not measured at all and thus fall by default into the unidentified transactions. These unidentified credit flows are probably sizeable. Some figures for changes in debtors and creditors of I and C companies, including transactions with other companies and with overseas, are published by the Department of Industry in the *Business Monitor*, series M3, on company finance and in the article on the structure of company financing in *Trade and Industry*. They have not been used in the financial accounts because the net changes are not regarded as a true indication of the sector's transactions with other sectors because they will also reflect credit transactions with the many companies not included in the analysis of company accounts.

The remaining question concerns the treatment of long-term investment abroad by companies and cash expenditure on acquiring subsidiaries and trade investments. As explained above, these categories are treated as financial transactions in the national accounts although, for some purposes, they may be better regarded as another form of investment when analysing the companies' financial position. It is proposed to treat them as transactions which have to be financed, in line with the treatment adopted by the Bank of England.

In dividing the financial account into those items contributing to the net borrowing requirement and those financing it, a problem arises over the classification of the unidentified transactions. These are by convention shown in the financial account but they reflect not only errors and omissions in the compilation of that account but also those arising in the compilation of the appropriation and capital accounts. Very few series in the financial account are completely reliable, because many have to be estimated from counterpart sources and the coverage of those which are derived from direct statistical reporting is often incomplete. In particular – as mentioned above – the coverage of trade credit is poor. On balance, series which are included among the financing items are probably less unreliable than those from the financial account which contribute to the net borrowing requirement. In addition, as part of the unidentified transactions arises from errors in the appropriation and capital accounts, it seems best to place the unidentified transactions 'above the line' where they will offset the errors in the series shown as contributing to the net borrowing requirement.

The items contributing to the net borrowing requirement and those financing it will be as follows:

Contributing items
- Internal funds (adjusted for unremitted profits and including increase in tax balances).
- *plus*
- Import and other trade credit received.
- *less*
- Export and other trade and instalment credit given
- Other accruals adjustments
- Import deposits
- Increase in book value of stocks
- Gross domestic fixed capital formation
- Cash expenditure on acquiring subsidiaries and on trade investments in the United Kingdom
- Direct investment by UK parent companies in overseas affiliates (excluding unremitted profits) and other investment abroad
- Unidentified transactions

EQUALS NET BORROWING REQUIREMENTS

Financing items
- Borrowing from UK banks
- Other borrowing in the form of loans and mortgages
- Capital issues in the United Kingdom and overseas
- Direct investment in UK affiliates by foreign parent companies (excluding unremitted profits) and other net borrowing abroad by UK companies
- *less*
- Acquisition of liquid assets
- Acquisition of other financial assets not included elsewhere

An analysis of the net borrowing requirement, including seasonally adjusted figures, is given in Table 5. This table will be published each month in *Financial Statistics* and figures for the net borrowing requirement will be included in the quarterly press notice on I and C companies. The relationship between NAFA and the net borrowing requirement is analysed in Table 6.

Trends in I and C companies' financial position

In the eleven years 1967–77 shown in the latest Blue Book, the net acquisition of financial assets by I and C companies was positive in only four years (1968, 1969, 1971 and 1972) and was negative in the remainder. So in seven of the eleven years, the companies were net borrowers from other sectors, with particularly large deficits in 1974 (£4,507 million) and in 1977 (£2,401 million). When this series is adjusted for identified unremitted profits, the path is very similar, as illustrated in Chart 1. The direction of lending or borrowing is unchanged but the surpluses are smaller and the deficits are larger. In only four years (1973–76) is the difference between the two series greater than £200 million; in those years the difference grows from £393 million in 1973 to £1,136 million in 1976 but it falls back to less than £100 million in 1977.

The main components of NAFA over the period 1967–77 are shown in Chart 2. Gross domestic fixed capital formation increased steadily throughout the period, reflecting mainly the rate of inflation. Stockbuilding fluctuated, with the main movements being a sizeable increase in stocks in 1973 and 1974 and a sharp fall in 1975. In most years the companies' undistributed income was insufficient to cover the level of investment and stockbuilding.

A somewhat different picture is presented by the other main balances described above (see Chart 3). The total

CHART 1

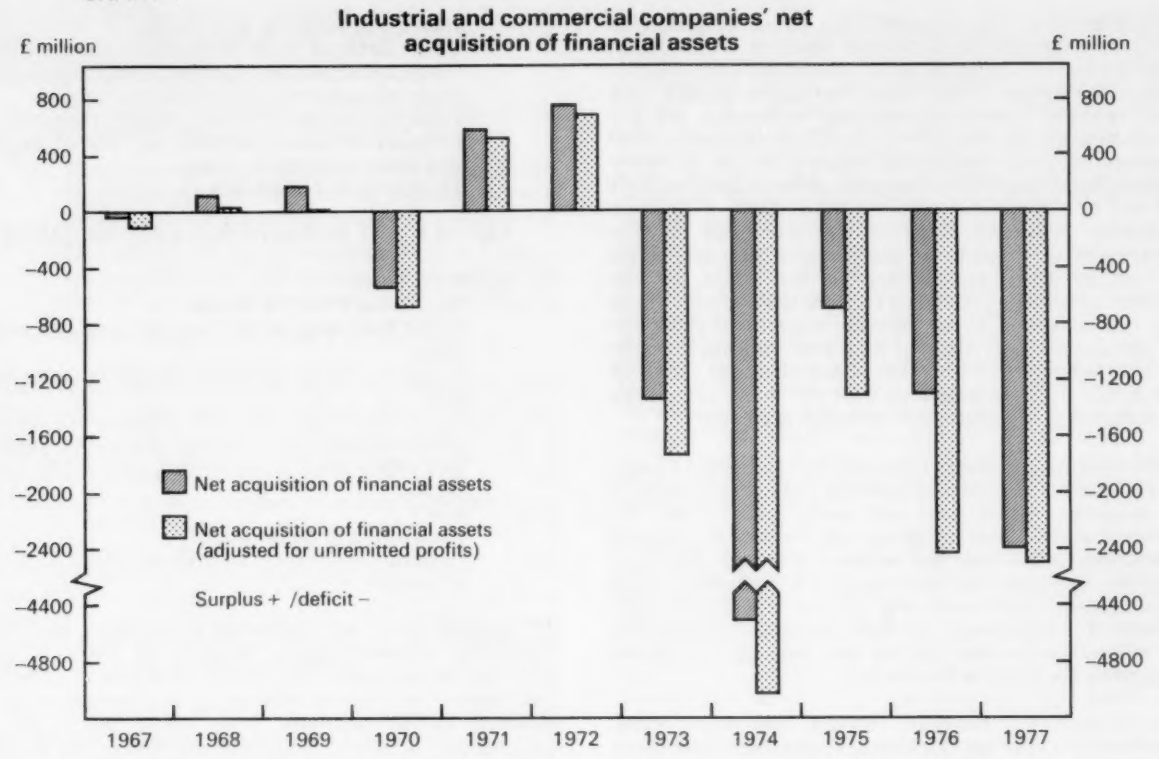
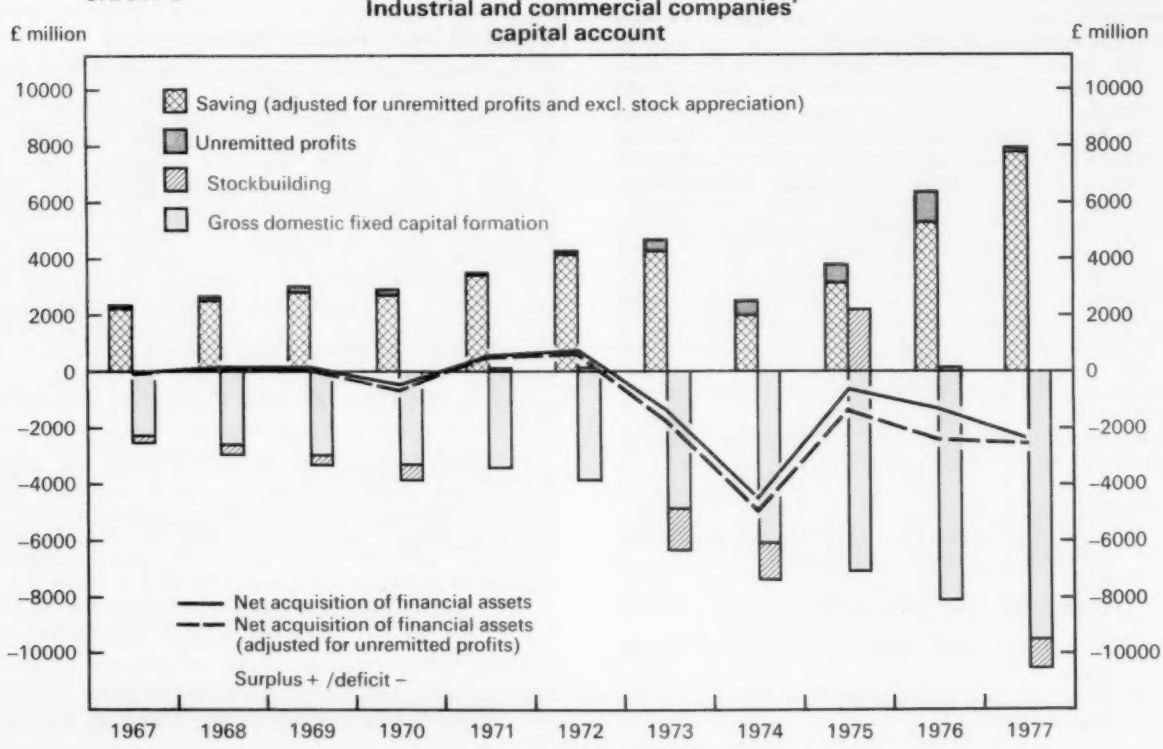


CHART 2



requiring financing and the net borrowing requirement both show I and C companies in deficit, and therefore as a net borrower from other sectors, throughout this period. In addition to the deficits being considerably larger, the trends shown by these series are different in some years from those displayed by NAFA (the differences between NAFA and the net borrowing requirement are analysed in Table 6). In 1968 and 1969, and again in 1972, NAFA shows an improvement in the companies' position while the other two balances show a deterioration. In each of these years, a substantial part of the difference in trend is accounted for by an increase in the unidentified transactions, reflecting unrecorded expenditure, lending or repayment of borrowing (the unidentified transactions were positive in those years). In 1968 and 1969, the payment of import deposits was an additional pressure on the companies' finances. In 1972 an increase of some £450 million in cash expenditure on acquiring UK subsidiaries and on trade investments was the main factor. In 1970 and 1973–76, the indicators exhibit the same pattern. All show a deterioration in the companies' position in 1970 and the massive deterioration in 1973 and 1974 with the subsequent recovery in 1975. The deterioration shown by the total requiring financing in 1973 is even more marked than the increased deficits shown by the other two balances, mainly reflecting increased investment abroad by UK companies which, although included in the net borrowing requirement, is largely offset by a fall in the size of the unidentified transactions. In 1977 NAFA shows a worsening of £1·1 billion in the companies' position but the net borrowing requirement shows an improvement of nearly £0·9 billion. About half of the difference in trend of £2 billion between these balances is accounted for by an increase in the unremitted profits of foreign-owned subsidiaries in the United Kingdom, included in internal funds and therefore in the net borrowing requirement, but excluded from NAFA. About three-quarters of the remaining difference is accounted for by increased unidentified transactions reflecting unrecorded receipts or borrowing (the unidentified transactions were negative in 1977). In the first half of 1978, both indicators show an increase in the companies' deficit.

Interpretation of the 1977 figures is particularly difficult in view of the existence of large unexplained discrepancies in the national accounts. The large unidentified transactions for I and C companies of nearly £2 billion in that year imply that the sector deficit as measured by NAFA may be overstated – the residual error in the national income and expenditure accounts at £1,083 million was very large – or that the increase in companies' net borrowing as measured by the financial account may be understated. The residual error is the difference between the estimates of income and expenditure in the national accounts. These aggregates are very large – over £120 billion in 1977 – and an overestimate of the one and underestimate of the other of only $^1/_2$ per cent produces a discrepancy of over £1 billion. The residual error cannot be allocated by sector (it will be reflected in the unidentified transactions of each sector, together with any errors arising from the estimation of the sectors' contribution to the income and expenditure figures, of transfers between sectors and of financial transactions), but when it is large the accuracy of the various sector surpluses and deficits is open to doubt. There is, however, no particular reason to suspect that the residual error in 1977 mainly reflects errors in the figures for I and C companies – those for other sectors may also be large. Equally the large unidentified transactions may result from under-recording of I and C companies' financial transactions, especially of trade credit transactions with overseas which may have contributed to the very large balancing item of £2,662 million in the balance of payments accounts in 1977. A reduction in the size of the residual error may lead to a revision to the I and C companies' NAFA, which in turn would cause a corresponding revision to the total requiring financing, which is built up from NAFA. Revisions to NAFA and more comprehensive figures for trade credit would change the unidentified transactions for the sector, probably reducing the size of this item. Consequently, the net borrowing requirement would not be affected by revision to those series, although it is subject to revision if any of the component series included among the items financing the net borrowing requirement (for example, investment in UK subsidiaries by overseas companies) are revised. The figures for the net borrowing requirement are likely to be less subject to revision, and in that limited sense are more reliable, than either NAFA or the total requiring financing.

The seasonally adjusted quarterly path of the net borrowing requirement from 1971 to 1978 is shown in Chart 4 together with NAFA, NAFA adjusted for unremitted profits and the total requiring financing. The net borrowing requirement displays greater variability than NAFA and, in consequence, the interpretation of short-term movements is more difficult. Some of these variations are eliminated by looking each quarter at six-monthly periods – as shown in Figure 2. This is the practice adopted in the quarterly press notice giving the latest figures for the I and C companies' appropriation account and NAFA, which comments on figures for six-month periods. As with the annual data, the net borrowing requirement and the total requiring financing generally show the company sector to be deeper in deficit than NAFA, but the amount of improvement or worsening from quarter to quarter shown by these balances is different, reflecting movements in the additional components included in the former balances. It is of interest to look at the period prior to the 'liquidity crisis' year of 1974. While NAFA shows companies going into deficit in the first quarter of 1973, the net borrowing requirement shows some sign of a change in trend in the second quarter of 1972. However, certainty about the trend is reduced by the large fluctuations in this balance in 1971–72 and the change in trend is not confirmed until the first quarter of 1973. There is thus little evidence that the new balance would have given earlier warning than NAFA of the worsening in the companies' position in 1972–73. Thus the net borrowing requirement has no particular advantage over NAFA except as a reminder that the companies' need for finance is usually greater than is suggested by NAFA. This point is not unimportant. Much of the criticism levelled at NAFA centred around the interpretation of the financial position of the company sector in 1973–74. Fears have been expressed that, if the surplus/deficit (NAFA) gives an over-optimistic view of companies' finances, there was a strong possibility that the tax-burden placed on the companies would be higher than might otherwise be the case. The paper[4] presented by the CBI at the Statistics

CHART 3

Comparison of financial balances 1967-77

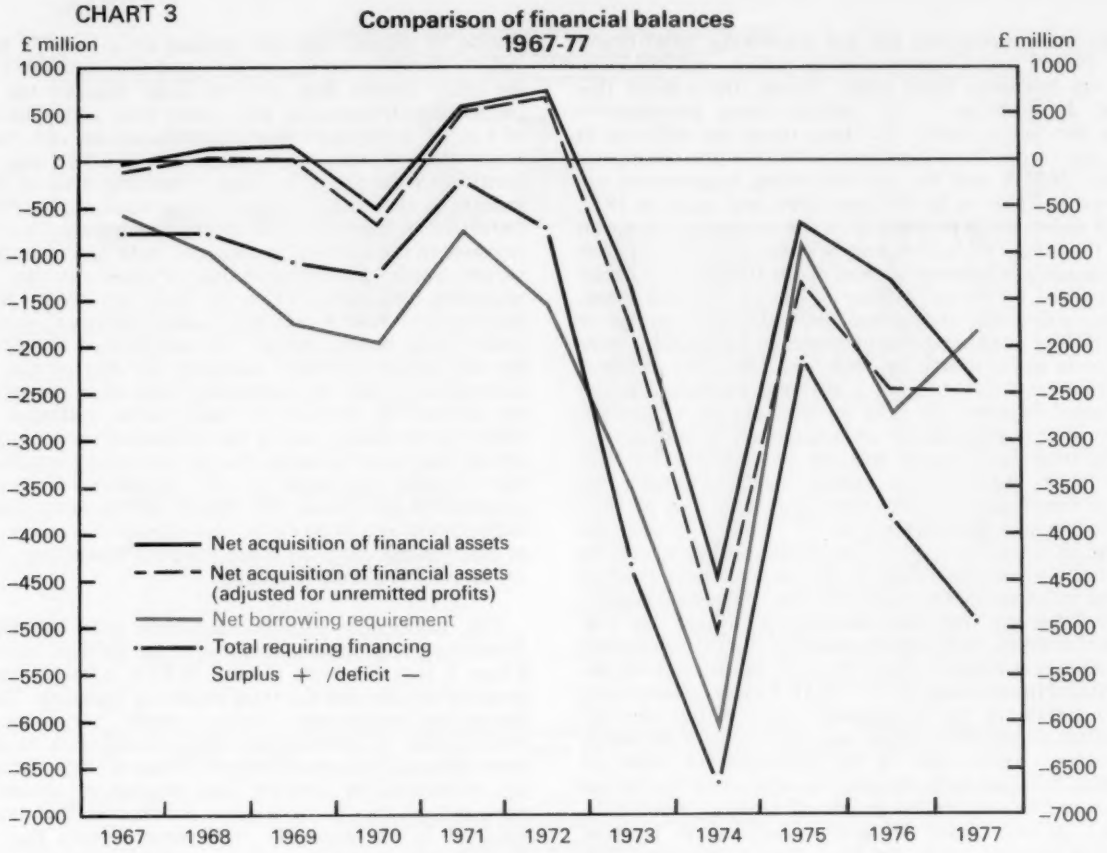


CHART 4

Comparison of financial balances 1971-1978 (quarterly) seasonally adjusted

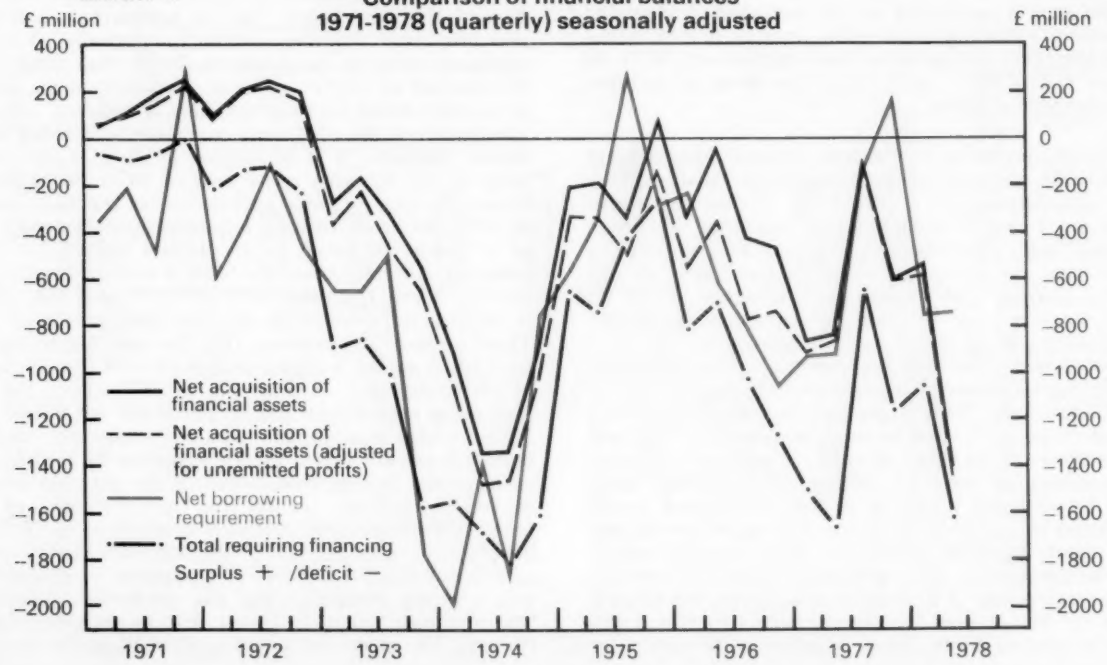
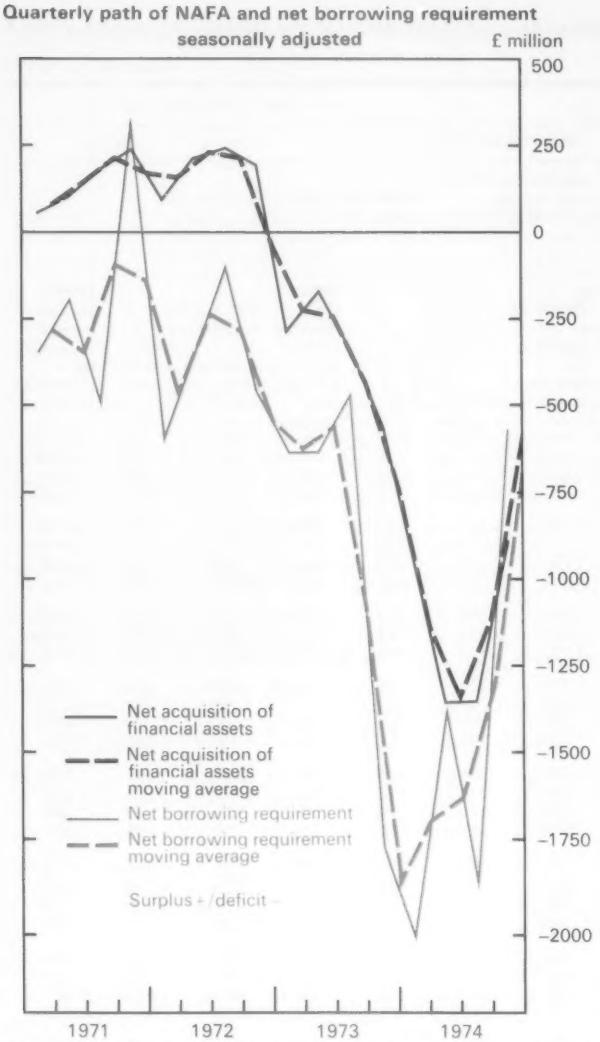


FIGURE 2

Quarterly path of NAFA and net borrowing requirement seasonally adjusted



Users Conference in November 1977 suggested that the large increase in companies' liquid assets in the third quarter of 1973 influenced the Chancellor of the Exchequer in introducing increased taxation of companies in the March 1974 Budget. In fact the increase in liquid assets was largely offset by increased borrowing from banks; taken alone, the increase in liquid assets gives a false impression of the companies' financial position. However, both series of data were available in published statistics before the Budget, in Table 81 of the January 1974 issue of *Financial Statistics*.

The seasonally adjusted series for the net borrowing requirement and its components have been calculated by incorporating the existing seasonally adjusted series for the components of NAFA and, for the financial transactions series, the seasonal factors used by the Bank of England in their flow of funds accounts. The Bank's seasonal factors are constrained to the total of identified financial transactions for the companies sector in the flow of funds accounts and also balanced with the seasonal factors for the other sectors in the accounts. The methods used by the Bank§ are different from those used by the CSO in seasonally adjusting NAFA and any differences arising out of the use of two dissimilar methods will fall into the unidentified transactions. In the context of presenting a re-arranged analysis showing the net borrowing requirement, this procedure is not entirely satisfactory. However, preliminary tests on the new balance produced results which were very similar to those derived from using the Bank's seasonal factors.

Conclusion

It is considered that it would be helpful to publish the net borrowing requirement regularly because it is the most satisfactory indicator of the cash flow of companies operating in the United Kingdom, within the general framework of the national accounts, and concentrates attention on the companies' need for external finance. The balance can be identified from the national accounts data and an approximation to it from an aggregation of companies' accounts. The quarterly path of the balance seems to be more variable than NAFA and interpretation may be more difficult, although it should be less subject to revision. For the time being, the two balances will be published together in the companies sector press notice until more experience is gained of the reliability of the new balance. An additional table will be included in *Financial Statistics* analysing the balance. The appropriation account and sources and uses of funds tables will be changed to the presentations shown respectively in Tables 3 and 4.

The timing of publication of the new balance raises a difficulty. At present, figures for the I and C companies' appropriation account and net acquisition of financial assets for a particular quarter are published in a press notice around the tenth day of the fourth month after the end of that quarter. Very provisional figures of the net borrowing requirement will be available at that time, but firm figures will not be available until around the 21st of the month, when the collection of data for the financial accounts is complete, because the balance is calculated from financial accounts data. At least initially, it will be necessary to delay publication of the press notice for about ten days until firm figures become available from the financial accounts.

§ Described in *United Kingdom flow of funds accounts 1963–1976* (Bank of England, May 1978).

References

1. Nicholas Rudoe – Statistics on industrial and commercial companies. *Statistical News*, No. 37, May 1977 (HMSO).
2. *A system of national accounts*, Studies in Methods, Series F, No. 2, Rev. 3 (United Nations, 1968).
3. Keith Percy – Interpreting the corporate sector surplus. Phillips & Drew, *Market Review*, October 1976.
4. J. Turner and R. H. Price – Corporate financial statistics: experiments in collection and experience of analysis. *Statistics Users Conference on Financial Statistics, November 1977—Report of proceedings* (Bank of England, 1977).

Appropriation account of industrial and commercial companies

TABLE 3

£ million unadjusted

	Income							Allocation of income						
		Income arising in the United Kingdom				Income from abroad (net of taxes paid abroad)		Dividends, interest and current transfer payments		Profits due abroad (net of UK tax)				
		Gross trading profits												
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Total	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Total	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[2,5,6]
1967	6,003	4,815	149	4,964	377	662	174	1,463	941	206	95	941	2,452	2,373
1968	6,854	5,172	470	5,642	457	755	260	1,434	1,067	311	172	919	3,123	3,035
1969	7,604	5,564	591	6,155	504	945	299	1,554	1,219	259	130	1,013	3,559	3,390
1970	7,984	5,608	838	6,446	514	1,024	296	1,378	1,301	322	148	1,297	3,686	3,538
1971	8,727	6,297	888	7,185	518	1,024	289	1,530	1,320	397	228	1,104	4,376	4,315
1972	9,906	7,128	1,036	8,164	628	1,114	395	1,524	1,510	549	321	1,082	5,241	5,167
1973	12,832	7,423	2,327	9,750	1,029	2,053	761	1,638	2,365	665	368	1,156	7,008	6,615
1974	14,671	6,268	4,790	11,058	1,325	2,288	791	1,469	3,340	525	260	2,022	7,315	6,784
1975	14,642	7,301	4,239	11,540	1,310	1,792	846	1,608	3,309	447	224	1,262	8,016	7,394
1976	18,731	9,462	5,091	14,553	1,641	2,537	1,340	1,825	3,798	744	204	888	11,476	10,340
1977	21,160	12,902	4,046	16,948	1,537	2,675	1,149	2,233	3,692	1,496	1,058	1,833	11,906	11,815
1971 *1*	2,070	1,388	283	1,671	131	268	59	276	321	94	63	926	453	457
2	2,266	1,532	325	1,857	127	282	71	495	347	103	62	72	1,249	1,240
3	2,110	1,583	157	1,740	131	239	82	356	316	82	43	81	1,275	1,236
4	2,281	1,794	123	1,917	129	235	77	403	336	118	60	25	1,399	1,382
1972 *1*	2,150	1,603	149	1,752	135	263	79	322	307	120	68	870	531	520
2	2,484	1,819	234	2,053	136	295	105	588	364	146	100	65	1,321	1,316
3	2,462	1,714	305	2,019	170	273	92	338	390	119	74	89	1,526	1,508
4	2,810	1,992	348	2,340	187	283	119	276	449	164	79	58	1,863	1,823
1973 *1*	2,898	1,971	336	2,307	219	372	134	445	482	179	38	507	1,285	1,189
2	3,202	1,938	475	2,413	216	573	162	590	535	185	106	150	1,742	1,686
3	3,135	1,696	707	2,403	272	460	215	318	595	128	82	231	1,863	1,730
4	3,597	1,818	809	2,627	322	648	250	285	753	173	142	268	2,118	2,010
1974 *1*	3,646	1,116	1,554	2,670	341	635	192	352	760	165	44	840	1,529	1,381
2	3,708	1,578	1,206	2,784	323	601	218	430	820	136	87	287	2,035	1,904
3	3,500	1,686	958	2,644	334	522	176	356	845	83	58	531	1,685	1,567
4	3,817	1,888	1,072	2,960	327	530	205	331	915	141	71	364	2,066	1,932
1975 *1*	3,591	1,567	1,267	2,834	314	443	192	342	833	120	62	597	1,699	1,569
2	3,561	1,847	1,004	2,851	295	415	204	456	806	130	60	124	2,045	1,901
3	3,315	1,587	961	2,548	332	435	217	406	792	79	79	215	1,823	1,685
4	4,175	2,300	1,007	3,307	369	499	233	404	878	118	23	326	2,449	2,239
1976 *1*	3,922	1,914	1,110	3,024	348	550	301	354	800	194	94	99	2,475	2,268
2	4,582	2,426	1,151	3,577	385	620	317	516	873	150	4	108	2,935	2,622
3	4,481	2,132	1,274	3,406	415	660	348	469	947	168	−2	319	2,578	2,228
4	5,746	2,990	1,556	4,546	493	707	374	486	1,178	232	108	362	3,488	3,222
1977 *1*	5,508	2,819	1,554	4,373	448	687	254	416	1,041	330	211	533	3,188	3,145
2	5,335	3,230	1,020	4,250	373	712	289	612	918	418	261	207	3,180	3,152
3	5,027	3,151	867	4,018	366	643	291	587	889	358	275	496	2,697	2,681
4	5,290	3,702	605	4,307	350	633	315	618	844	390	311	597	2,841	2,837
1978 *1*	5,387	3,757	660	4,417	376	594	248	515	766	365	209	855	2,886	2,847
2	5,436	3,266	1,041	4,307	458	671	268	755	964	363	230	304	3,050	3,012

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income. [4] The residual of all companies' payments and financial companies and institutions, accruals of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies and institutions in proportion to the calendar year estimates of their accruals of taxes on income. [5] Before providing for depreciation, stock appreciation and additions to reserves. [6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by UK subsidiaries of overseas companies.

Appropriation account of industrial and commercial companies

TABLE 3 *(continued)*

£ million Seasonally adjusted

	Income							Allocation of income						
		Income arising in the United Kingdom				Income from abroad (net of taxes paid abroad)		Dividends, interest and current transfer payments		Profits due abroad (net of UK tax)				
		Gross trading profits												
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Total	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Total	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[2,5,6]
1967	6,003	4,815	149	4,964	377	662	174	1,463	941	206	95	941	2,452	2,373
1968	6,854	5,172	470	5,642	457	755	260	1,434	1,067	311	172	919	3,123	3,035
1969	7,604	5,564	591	6,155	504	945	299	1,554	1,219	259	130	1,013	3,559	3,390
1970	7,984	5,608	838	6,446	514	1,024	296	1,378	1,301	322	148	1,297	3,686	3,538
1971	8,727	6,297	888	7,185	518	1,024	289	1,530	1,320	397	228	1,104	4,376	4,315
1972	9,906	7,128	1,036	8,164	628	1,114	395	1,524	1,510	549	321	1,082	5,241	5,167
1973	12,832	7,423	2,327	9,750	1,029	2,053	761	1,638	2,365	665	368	1,156	7,008	6,615
1974	14,671	6,268	4,790	11,058	1,325	2,288	791	1,469	3,340	525	260	2,022	7,315	6,784
1975	14,642	7,301	4,239	11,540	1,310	1,792	846	1,608	3,309	447	224	1,262	8,016	7,394
1976	18,731	9,462	5,091	14,553	1,641	2,537	1,340	1,825	3,798	744	204	888	11,476	10,340
1977	21,160	12,902	4,046	16,948	1,537	2,675	1,149	2,233	3,692	1,496	1,058	1,833	11,906	11,815
1971 *1*	2,117	1,441	283	1,724	130	263	59	380	337	99	63	269	1,032	1,036
2	2,207	1,487	325	1,812	128	267	71	392	332	96	62	328	1,059	1,050
3	2,196	1,658	157	1,815	131	250	82	405	333	97	43	270	1,091	1,052
4	2,207	1,711	123	1,834	129	244	77	353	318	105	60	237	1,194	1,177
1972 *1*	2,199	1,659	149	1,808	135	256	79	437	323	127	68	290	1,022	1,011
2	2,433	1,778	234	2,012	137	284	105	461	347	135	100	253	1,237	1,232
3	2,578	1,815	305	2,120	169	289	92	352	406	141	74	269	1,410	1,392
4	2,696	1,876	348	2,224	187	285	119	274	434	146	79	270	1,572	1,532
1973 *1*	2,944	2,011	336	2,347	219	378	134	526	505	188	38	165	1,560	1,464
2	3,140	1,886	475	2,361	218	561	162	511	522	171	106	246	1,690	1,634
3	3,284	1,836	707	2,543	272	469	215	319	609	151	82	339	1,866	1,733
4	3,464	1,690	809	2,499	320	645	250	282	729	155	142	406	1,892	1,784
1974 *1*	3,677	1,141	1,554	2,695	340	642	192	432	792	170	44	377	1,906	1,758
2	3,652	1,525	1,206	2,731	326	595	218	355	811	126	87	461	1,899	1,768
3	3,692	1,869	958	2,827	334	531	176	357	855	103	58	646	1,731	1,613
4	3,650	1,733	1,072	2,805	325	520	205	325	882	126	71	538	1,779	1,645
1975 *1*	3,614	1,576	1,267	2,843	314	457	192	431	868	125	62	317	1,873	1,743
2	3,514	1,807	1,004	2,811	298	405	204	377	800	122	60	323	1,892	1,748
3	3,535	1,797	961	2,758	332	445	217	389	801	95	79	299	1,951	1,813
4	3,979	2 121	1,007	3,128	366	485	233	411	840	105	23	323	2,300	2,090
1976 *1*	3,935	1,908	1,110	3,018	348	569	301	480	840	200	94	165	2,250	2,043
2	4,543	2,395	1,151	3,546	388	609	317	424	867	136	4	240	2,876	2,563
3	4,801	2,435	1,274	3,709	415	677	348	442	953	194	−2	219	2,993	2,643
4	5,452	2,724	1,556	4,280	490	682	374	479	1,138	214	108	264	3,357	3,091
1977 *1*	5,486	2,776	1,554	4,330	448	708	254	570	1,082	336	211	437	3,061	3,018
2	5,268	3,171	1,020	4,191	375	702	289	506	913	396	261	401	3,052	3,024
3	5,407	3,518	867	4,385	366	656	291	553	893	391	275	482	3,088	3,072
4	4,999	3,437	605	4,042	348	609	315	604	804	373	311	513	2,705	2,701
1978 *1*	5,374	3,722	660	4,382	376	616	248	706	808	371	209	519	2,970	2,931
2	5,379	3,217	1,041	4,258	460	661	268	630	959	343	230	546	2,901	2,863

Sources and uses of capital funds of industrial and commercial companies

TABLE 4

Sources of funds £ million

		Internal funds					Other external borrowing							
										UK capital issues				
	Total	Total	Undistributed income[1]	Taxes on capital and capital transfers (net)	Increase in tax balances	Import and other credit received	Total	Bank borrowing	Other loans and mortgages	Ordinary shares	Debentures and preference shares	Capital issues overseas	Overseas direct investment in securities	Intra-company investment by overseas companies[1]
1967	3,860	2,827	2,373	232	222	−24	1,057	333	38	65	350	32	18	221
1968	5,076	3,534	3,035	427	72	34	1,508	569	154	303	183	48	45	206
1969	5,802	4,021	3,390	574	57	118	1,663	664	197	210	335	11	−4	250
1970	6,443	4,085	3,538	478	69	131	2,227	1,126	322	83	159	47	38	452
1971	7,006	4,895	4,315	553	27	169	1,942	732	238	231	215	78	20	428
1972	10,004	5,521	5,167	381	−27	414	4,069	2,988	156	334	290	140	79	82
1973	14,589	7,554	6,615	347	592	596	6,439	4,504	795	143	51	113	199	634
1974	14,346	7,507	6,784	332	391	685	6,154	4,411	80	126	−56	20	226	1,347
1975	12,086	8,430	7,394	405	631	272	3,384	418	462	1,064	202	−12	85	1,165
1976	17,113	10,923	10,340	358	225	867	5,323	2,494	527	837	42	45	90	1,290
1977	18,127	12,319	11,815	258	246	434	5,374	3,081	177	734	−67	74	172	1,203
1971 *1*	1,414	641	457	172	12	−70	843	441	133	20	64	10	1	174
2	1,869	1,331	1,240	139	−48	236	302	63	37	30	69	17	8	78
3	1,820	1,399	1,236	136	27	106	315	−11	76	45	70	27	1	107
4	1,903	1,524	1,382	106	36	−103	482	239	−8	136	12	24	10	69
1972 *1*	1,867	578	520	108	−50	96	1,193	979	20	44	84	9	15	42
2	2,533	1,363	1,316	97	−50	26	1,144	789	126	134	63	36	12	−16
3	2,216	1,565	1,508	86	−29	82	569	358	−80	99	68	55	26	43
4	3,388	2,015	1,823	90	102	210	1,163	862	90	57	75	40	26	13
1973 *1*	2,798	1,217	1,189	87	−59	130	1,451	860	335	16	17	78	2	143
2	3,256	2,030	1,686	76	268	151	1,075	656	41	57	23	19	115	164
3	3,883	2,335	1,730	104	501	44	1,504	1,180	144	38	−1	8	—	135
4	4,652	1,972	2,010	80	−118	271	2,409	1,808	275	32	12	8	82	192
1974 *1*	3,690	1,344	1,381	88	−125	145	2,201	1,249	216	17	−13	2	40	690
2	3,958	2,283	1,904	80	299	166	1,509	1,458	−228	7	−14	16	19	251
3	3,170	1,665	1,567	81	17	86	1,419	981	1	25	−5	3	8	406
4	3,528	2,215	1,932	83	200	288	1,025	723	91	77	−24	−1	159	—
1975 *1*	2,927	1,834	1,569	97	168	46	1,047	350	419	39	10	−1	40	190
2	2,762	2,124	1,901	77	146	−75	713	356	−186	351	28	8	19	137
3	2,489	1,889	1,685	118	86	−18	618	−395	115	312	101	−3	19	469
4	3,908	2,583	2,239	113	231	319	1,006	107	114	362	63	−16	7	369
1976 *1*	3,168	2,219	2,268	94	−143	216	733	−109	40	226	22	−9	21	542
2	4,769	2,822	2,622	92	108	228	1,719	850	133	432	7	69	20	208
3	3,649	2,290	2,228	82	−20	44	1,315	749	75	115	36	−3	19	324
4	5,527	3,592	3,222	90	280	379	1,556	1,004	277	64	−23	−12	30	216
1977 *1*	4,658	3,102	3,145	75	−118	224	1,332	742	−24	52	−15	−7	34	550
2	4,955	3,355	3,152	83	120	14	1,586	844	−20	346	1	65	61	289
3	3,901	2,696	2,681	46	−31	1	1,204	545	132	205	−20	26	38	278
4	4,613	3,166	2,837	54	275	195	1,252	950	89	131	−33	−10	39	86
1978 *1*	4,615	3,025	2,847	169	9	213	1,377	275	365	5	−13	23	23	699
2	4,754	3,181	3,012	96	73	77	1,496	1,153	−73	355	−16	19	38	20

[1] Adjusted for unremitted profits.
[2] Cash expenditure on acquiring subsidiaries and on trade investments in the United Kingdom.
[3] Including local authority loans and mortgages.

Sources and uses of capital funds of industrial and commercial companies

TABLE 4 *(continued)*

Uses of funds £ million

		Total	Unidentified transactions (residual)	Expenditure on assets					Intra-company investment by UK companies overseas[1]	Export and other credit given	Liquid assets			Other identified assets	Other accruals adjustments
				Total	Gross domestic fixed-capital formation	Increase in book value of stocks	Investment[2] in UK company securities	Investment in overseas securities			Bank deposits, notes and coin	British government securities	Other[3]		
1967		3,860	65	3,795	2,362	352	339	37	148	66	383	..	79	23	6
1968		5,076	475	4,601	2,614	816	335	46	146	−6	460	..	−55	196	49
1969		5,802	895	4,907	2,987	970	259	79	222	76	−138	..	−67	538	−19
1970		6,443	899	5,544	3,350	1,351	251	181	163	160	329	−22	−115	−112	8
1971		7,006	802	6,204	3,468	874	338	162	269	118	1,085	−14	144	−273	33
1972		10,004	1,338	8,666	3,898	970	783	178	38	322	2,294	16	77	139	−49
1973		14,589	361	14,228	4,879	3,814	993	427	563	581	2,426	39	108	330	68
1974		14,346	63	14,283	6,054	6,100	383	295	530	944	92	−39	87	−50	−113
1975		12,086	−433	12,519	7,078	2,028	341	190	1	227	1,478	92	265	648	171
1976		17,113	−1,189	18,302	8,094	5,037	470	412	304	1,292	1,657	123	206	626	81
1977		18,127	−1,950	20,077	9,523	5,042	685	392	379	329	2,578	88	175	719	167
1971	*1*	1,414	719	695	796	285	56	36	113	−19	−69	3	−89	−258	−159
	2	1,869	−1	1,870	864	285	78	81	50	134	260	−14	55	−98	175
	3	1,820	499	1,321	879	141	123	21	32	67	202	−4	111	−122	−129
	4	1,903	−415	2,318	929	163	81	24	74	−64	692	1	67	205	146
1972	*1*	1,867	799	1,068	878	107	173	43	30	117	−90	12	−68	58	−192
	2	2,533	−1	2,534	957	193	192	23	26	87	741	−7	67	109	146
	3	2,216	83	2,133	939	295	186	53	−5	−33	647	4	46	166	−165
	4	3,388	457	2,931	1,124	375	232	59	−13	151	996	7	32	−194	162
1973	*1*	2,798	64	2,734	1,137	762	230	97	92	304	237	3	−11	72	−189
	2	3,256	140	3,116	1,153	792	198	142	139	57	283	10	118	51	173
	3	3,883	−164	4,047	1,210	1,062	313	63	10	53	1,254	10	29	200	−157
	4	4,652	321	4,331	1,379	1,198	252	125	322	167	652	16	−28	7	241
1974	*1*	3,690	759	2,931	1,291	1,580	194	60	161	223	−129	—	6	−96	−359
	2	3,958	61	3,897	1,423	1,918	83	125	−132	209	227	−16	77	−238	221
	3	3,170	−63	3,233	1,559	1,565	59	63	124	34	−165	−19	110	97	−194
	4	3,528	−694	4,222	1,781	1,037	47	47	377	478	159	−4	−106	187	219
1975	*1*	2,927	287	2,640	1,583	562	87	52	92	32	352	3	−55	158	−226
	2	2,762	−112	2,874	1,643	482	76	57	169	−16	−448	69	37	647	158
	3	2,489	−714	3,203	1,964	433	98	33	−242	−144	1,119	−6	277	−222	−107
	4	3,908	106	3,802	1,888	551	80	48	−18	355	455	26	6	65	346
1976	*1*	3,168	−226	3,394	1,651	922	94	163	−42	442	−141	41	249	371	−356
	2	4,769	−62	4,831	1,950	961	96	56	149	353	548	39	143	300	236
	3	3,649	−825	4,474	2,207	1,321	123	105	30	−54	1,004	2	−244	48	−68
	4	5,527	−76	5,603	2,286	1,833	157	88	167	551	246	41	58	−93	269
1977	*1*	4,658	597	4,061	1,933	1,982	151	150	103	78	46	12	2	118	−514
	2	4,955	−477	5,432	2,432	1,376	144	49	360	32	386	35	77	134	407
	3	3,901	−842	4,743	2,463	706	191	115	−49	−87	693	17	285	486	−77
	4	4,613	−1,228	5,841	2,695	978	199	78	−35	306	1,453	24	−189	−19	351
1978	*1*	4,615	524	4,091	2,554	1,117	169	123	−60	458	481	−19	−119	34	−647
	2	4,754	−714	5,468	2,789	1,485	172	100	−305	17	881	23	204	−380	482

Analysis of net borrowing requirement industrial and commercial companies[1]

TABLE 5

£ million unadjusted

	Internal funds	Import and other credit received	Export and other credit given	Other accruals adjustments[2]	Import deposits	Increase in book value of stocks	Gross domestic fixed-capital formation	Investment in UK company securities[3]	Direct and other investment abroad	Unidentified transactions	Net borrowing requirement (borrowing +)	Financed by: Borrowing (excluding trade credit)	Decrease in assets (–) Liquid	Other
1967	−2,827	24	66	6	—	352	2,362	339	185	65	572	−1,057	462	23
1968	−3,534	−34	−6	49	75	816	2,614	335	192	475	982	−1,508	405	121
1969	−4,021	−118	76	−19	403	970	2,987	259	301	895	1,733	−1,663	−205	135
1970	−4,085	−131	160	8	−225	1,351	3,350	251	344	899	1,922	−2,227	192	113
1971	−4,895	−169	118	33	−253	874	3,468	338	431	802	747	−1,942	1,215	−20
1972	−5,521	−414	322	−49	—	970	3,898	783	216	1,338	1,543	−4,069	2,387	139
1973	−7,554	−596	581	68	—	3,814	4,879	993	990	361	3,536	−6,439	2,573	330
1974	−7,507	−685	944	−113	—	6,100	6,054	383	825	63	6,064	−6,154	140	−50
1975	−8,430	−272	227	171	—	2,028	7,078	341	191	−433	901	−3,384	1,835	648
1976	−10,923	−867	1,292	81	—	5,037	8,094	470	716	−1,189	2,711	−5,323	1,986	626
1977	−12,319	−434	329	167	—	5,042	9,523	685	771	−1,950	1,814	−5,374	2,841	719
1971 *1*	−641	70	−19	−159	−153	285	796	56	149	719	1,103	−843	−155	−105
2	−1,331	−236	134	175	−99	285	864	78	131	−1	—	−302	301	1
3	−1,399	−106	67	−129	−1	141	879	123	53	499	127	−315	309	−121
4	−1,524	103	−64	146	—	163	929	81	98	−415	−483	−482	760	205
1972 *1*	−578	−96	117	−192	—	107	878	173	73	799	1,281	−1,193	−146	58
2	−1,363	−26	87	146	—	193	957	192	49	−1	234	−1,144	801	109
3	−1,565	−82	−33	−165	—	295	939	186	48	83	−294	−569	697	166
4	−2,015	−210	151	162	—	375	1,124	232	46	457	322	−1163	1,035	−194
1973 *1*	−1,217	−130	304	−189	—	762	1,137	230	189	64	1,150	−1,451	229	72
2	−2,030	−151	57	173	—	792	1,153	198	281	140	613	−1,075	411	51
3	−2,335	−44	53	−157	—	1,062	1,210	313	73	−164	11	−1,504	1,293	200
4	−1,972	−271	167	241	—	1,198	1,379	252	447	321	1,762	−2,409	640	7
1974 *1*	−1,344	−145	223	−359	—	1,580	1,291	194	221	759	2,420	−2,201	−123	−96
2	−2,283	−166	209	221	—	1,918	1,423	83	−7	61	1,459	−1,509	288	−238
3	−1,665	−86	34	−194	—	1,565	1,559	59	187	−63	1,396	−1,419	−74	97
4	−2,215	−288	478	219	—	1,037	1,781	47	424	−694	789	−1,025	49	187
1975 *1*	−1,834	−46	32	−226	—	562	1,583	87	144	287	589	−1,047	300	158
2	−2,124	75	−16	158	—	482	1,643	76	226	−112	408	−713	−342	647
3	−1,889	18	−144	−107	—	433	1,964	98	−209	−714	−550	−618	1,390	−222
4	−2,583	−319	355	346	—	551	1,888	80	30	106	454	−1,006	487	65
1976 *1*	−2,219	−216	442	−356	—	922	1,651	94	121	−226	213	−733	149	371
2	−2,822	−228	353	236	—	961	1,950	96	205	−62	689	−1,719	730	300
3	−2,290	−44	−54	−68	—	1,321	2,207	123	135	−825	505	−1,315	762	48
4	−3,592	−379	551	269	—	1,833	2,286	157	255	−76	1,304	−1,556	345	−93
1977 *1*	−3,102	−224	78	−514	—	1,982	1,933	151	253	597	1,154	−1,332	60	118
2	−3,355	−14	32	407	—	1,376	2,432	144	409	−477	954	−1,586	498	134
3	−2,696	−1	−87	−77	—	706	2,463	191	66	−842	−277	−1,204	995	486
4	−3,166	−195	306	351	—	978	2,695	199	43	−1,228	−17	−1,252	1,288	−19
1978 *1*	−3,025	−213	458	−647	—	1,117	2,554	169	63	524	1,000	−1,377	343	34
2	−3,181	−77	17	482	—	1,485	2,789	172	−205	−714	768	−1,496	1,108	−380

[1] Increase in assets or reduction in liabilities is shown positive, decrease in assets or increase in liabilities negative.
[2] Excluding increase in tax balances.
[3] Cash expenditure on acquiring subsidiaries and on trade investments in the United Kingdom.

Analysis of net borrowing requirement of industrial and commercial companies[1]

TABLE 5 (*continued*)

Seasonally adjusted £ million

	Internal funds	Import and other credit received	Export and other credit given	Other accruals adjustments[2]	Import deposits	Increase in book value of stocks	Gross domestic fixed-capital formation	Investment in UK company securities[3]	Direct and other investment abroad	Unidentified transactions	Net borrowing requirement (borrowing +)	Financed by: Borrowing (excluding trade credit)[4]	Decrease in assets(–) Liquid[4]	Other
1967	—2,827	24	66	6	—	352	2,362	239	185	65	572	—1,057	462	23
1968	—3,534	—34	—6	49	75	816	2,614	335	192	475	982	—1,508	405	121
1969	—4,021	—118	76	—19	403	970	2,987	258	301	895	1,733	—1,663	—205	135
1970	—4,085	—131	160	8	—225	1,351	3,350	251	344	899	1,922	—2,227	192	113
1971	—4,895	—169	118	33	—253	874	3,468	338	431	802	747	—1,942	1,215	—20
1972	—5,521	—414	322	—39	—	970	3,898	783	216	1,338	1,543	—4,069	2,387	139
1973	—7,554	—596	581	68	—	3,814	4,879	993	990	361	3,536	—6,439	2,573	330
1974	—7,507	—685	944	—113	—	6,100	6,054	383	825	63	6,064	—6,154	140	—50
1975	—8,430	—272	227	171	—	2,028	7,078	341	191	—433	901	—3,384	1,835	648
1976	—10,923	—867	1,292	81	—	5,037	8,094	470	716	—1,189	2,711	—5,323	1,986	626
1977	—12,319	—434	329	167	—	5,042	9,523	685	771	—1,950	1,814	—5,374	2,841	719
1971 *1*	—1,289	59	5	—32	—153	286	849	56	149	422	352	—551	304	—105
2	—1,127	—239	116	85	—99	233	873	78	131	154	205	—387	181	1
3	—1,231	—107	108	—26	—1	155	890	123	53	538	502	—497	116	—121
4	—1,248	118	—111	6	—	200	856	81	98	—312	—312	—356	463	205
1972 *1*	—1,139	—107	151	—61	—	102	920	173	73	491	603	—930	269	58
2	—1,265	—27	70	65	—	149	983	192	49	149	365	—1,192	718	109
3	—1,459	—85	10	—40	—	299	949	186	48	199	107	—773	500	166
4	—1,658	—195	91	—13	—	420	1,046	232	46	499	468	—1,165	891	—194
1973 *1*	—1,517	—141	343	29	—	745	1,177	230	189	—414	641	—1,277	564	72
2	—1,965	—150	45	27	—	759	1,185	198	281	261	641	—1,052	360	51
3	—2,387	—47	103	19	—	1,056	1,239	313	73	107	476	—1,744	1,068	200
4	—1,685	—258	90	—7	—	1,254	1,278	252	447	407	1,778	—2,526	741	7
1974 *1*	—1,882	—154	280	—10	—	1,558	1,339	194	221	468	2,014	—1,945	27	—96
2	—2,065	—163	203	—32	—	1,886	1,459	83	—7	23	1,387	—1,393	244	—238
3	—1,748	—90	86	31	—	1,555	1,605	59	187	205	1,890	—1,884	—103	97
4	—1,812	—278	375	—102	—	1,101	1,651	47	424	—633	773	—932	—28	187
1975 *1*	—2,140	—53	103	132	—	511	1,664	87	144	116	564	—1,029	307	158
2	—1,981	75	—39	—90	—	481	1,691	76	226	—98	341	—646	—342	647
3	—2,037	13	—91	52	—	440	1,984	98	—209	—536	—286	—798	1,306	—222
4	—2,272	—307	254	77	—	596	1,739	80	30	85	282	—911	564	65
1976 *1*	—2,166	—222	512	10	—	844	1,840	94	121	—795	238	—744	135	371
2	—2,783	—228	326	18	—	990	2,035	96	205	—47	612	—1,672	760	300
3	—2,708	—53	—7	96	—	1,352	2,147	123	135	—272	813	—1,544	683	48
4	—3,266	—364	461	—43	—	1,851	2,072	157	255	—75	1,048	—1,166	211	—93
1977 *1*	—3,164	—224	175	—114	—	1,890	2,117	151	253	—150	934	—1,549	497	118
2	—3,269	—14	—6	173	—	1,426	2,545	144	409	—487	921	—1,505	450	134
3	—3,096	—14	—41	14	—	823	2,402	191	66	—211	134	—1,249	629	486
4	—2,790	—182	201	94	—	903	2,459	199	43	—1,102	—175	—1,055	1,249	—19
1978 *1*	—3,321	—213	552	—292	—	972	2,701	169	63	119	750	—1,352	568	34
2	—3,075	—79	—25	305	—	1,523	2,892	172	—205	—766	742	—1,457	1,095	—380

See footnotes on page 124.

[4] The seasonal factors applied to the series for borrowing and liquid assets do not always sum to zero over a calendar year because day-of-week adjustments have been applied. Other columns in the table are not affected in this way.

Reconciliation between net acquisition of financial assets and net borrowing requirement of industrial and commercial companies

TABLE 6

	£ million										
	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
Net acquisition of financial assets (surplus −/deficit +) ..	30	−120	−176	537	−587	−754	1,338	4,507	685	1,297	2,401
Adjustments[1]											
Unremitted profits of foreign-owned subsidiaries and associates in United Kingdom	−95	−172	−130	−148	−228	−321	−368	−260	−224	−204	−1,058
Unremitted profits of UK-owned subsidiaries and associates overseas ..	174	260	299	296	289	395	761	791	846	1,340	1,149
Import and other trade credit received	24	−34	−118	−131	−169	−414	−596	−685	−272	−867	−434
Export and other trade and instalment credit given	66	−6	76	160	118	322	581	944	227	1,292	329
Import deposits	—	75	403	−225	−253	—	—	—	—	—	—
Increase in tax balances	−222	−72	−57	−69	−27	27	−592	−391	−631	−225	−246
Other accruals adjustments	6	49	−19	8	33	−49	68	−113	171	81	167
Cash expenditure on trade investments and on acquiring subsidiaries in United Kingdom	339	335	259	251	338	783	993	383	341	470	685
UK companies' investment in affiliates overseas and other investment abroad	185	192	301	344	431	216	990	825	191	716	771
Unidentified transactions	65	475	895	899	802	1,338	361	63	−433	−1,189	−1,950
Net borrowing requirement (borrowing +)	572	982	1,733	1,922	747	1,543	3,536	6,064	901	2,711	1,814

[1] Increases in assets or reductions in liabilities are shown positive; decreases in assets or increases in liabilities negative.

APPENDIX

Concepts used in national accounts

In the national income and expenditure accounts, investment in fixed assets and stocks is limited to domestic investment – that is, investment in physical assets located in the United Kingdom. Capital expenditure abroad, for example the purchase of physical assets by subsidiaries overseas of UK parent companies, is treated as the acquisition of a financial asset (after netting off that part financed by minority interests and local borrowing) and included in the national accounts as a separate item, net investment abroad. The distinction between domestic capital expenditure and investment abroad is necessary to preserve the concept of domestic income and investment, which is related to economic activity that takes place in the geographical territory of the United Kingdom, and the wider concept of national income and wealth which is concerned with the total income accruing to UK residents and the stock of assets owned by UK residents.

The national income is defined as domestic income – broadly the income of individuals from employment and self-employment, the trading surpluses of private and public enterprises and rent – *plus* net property income from abroad. Net property income from abroad includes direct investment income whether remitted or not; that is, profits retained in subsidiaries, associates and branches abroad are included and profits retained in foreign-owned subsidiaries, associates and branches in the United Kingdom are deducted. Thus profits earned abroad are recorded on an accruals basis in the same way that domestic profits are recorded in calculating domestic income. Other property income flows relating to portfolio investment are entered on a payments basis, as are the corresponding flows arising from the distribution of company profits between domestic sectors. The different treatment accorded to direct investment income stems from the fact that, in principle, the parent companies are able to control how much of their subsidiaries' profits are remitted, whereas in portfolio investment shareholders do not have such control. The degree of latitude open to parent companies in exercising that control may, of course, be partly limited by the requirements of the exchange control regulations in force at the time.

The uses to which national *disposable* income[1] can be put fall into two main categories, domestic consumption (consumers' expenditure and general government current expenditure) and investment (domestic capital expenditure on fixed assets and stocks, and net investment abroad). In the same way that net property income from abroad includes unremitted profits, so the figures for net investment abroad include unremitted profits. Thus, unremitted profits are treated in the same way as if they had been remitted and then lent back to the affiliate by the parent company.

Investment increases national wealth. In measuring national wealth, that part of the capital stock of assets in the United Kingdom which is owned by non-residents is deducted; for example, the value of physical assets of UK subsidiaries of overseas parent companies is excluded by deducting the current value of the corresponding overseas direct investment in the United Kingdom. This includes not only the original capital subscribed by the parent company and other funds lent to the subsidiary but also the parents' share of the retained earnings of the subsidiary. Similarly, UK-owned assets abroad are valued to include the UK parents' share of subsidiary companies' retained earnings. Clearly, if investment financed from retained earnings were not taken into account in measuring national wealth a misleading picture would be obtained.

In the balance of payments accounts also, unremitted profits are reflected in the current and capital account flows. They are recorded as credits or debits under interest, profits and dividends in the current account, with offsetting entries in the capital account under outward or inward direct investment. Thus the treatment adopted in the balance of payments and national income and expenditure accounts is consistent. When the national income and expenditure accounts are analysed to produce the financial surpluses or deficits (NAFAs) of each sector, the surplus/deficit of the overseas sector is the same as the current balance in the balance of payments accounts (with the opposite sign) *plus* capital transfers.

In deriving the sector financial surpluses/deficits, domestic income and expenditure are analysed by sector together with income from abroad, domestic interest and dividend receipts and payments and other current and capital transfer receipts and payments. Net investment abroad is not, of course, taken into account in arriving at each sector's financial surplus/deficit since (as already mentioned) it is regarded as the acquisition of a financial asset. Thus, the sector surpluses and deficits reflect neither national income and its uses nor domestic income and its uses. In attempting to cover both of these aspects of economic accounting, on the one hand income earned and investment by UK residents (the national concept) and on the other income earned and investment in the UK territory (the domestic concept), the resulting NAFA is a hybrid which does not relate unambiguously either to companies operating in the United Kingdom or to the operations of UK companies on a world-wide basis. The alternative analysis of the transactions of companies described in the main article has been developed in an attempt to measure more closely the financial position of companies operating in the United Kingdom.

International guidelines

The international organisations give different advice on the treatment of unremitted profits. The International Monetary Fund (IMF), which is the principal authority on balance of payments statistics, recommends in its balance of payments manual that all income on direct investment, whether or not remitted, should be included in the accounts offset by corresponding entries in the capital account. This treatment is justified on the grounds that

[1] National disposable income is national income *less* net unrequited transfers abroad.

income of an overseas branch automatically accrues to the parent company, there being no formal act of distribution by which the earnings become the property of the head office. On the other hand, while earnings of subsidiaries are formally distributed to their shareholders, the IMF argues that the differences between branches and subsidiaries have little economic significance, and that in any case parent companies can usually control the distribution of dividends and therefore the amount of earnings retained in the enterprise.

The United Nations, however, in its guidelines for national accounts[2] recommends that profits of subsidiaries and branches should be taken into account only when remitted. The European System of Integrated Economic Accounts, issued by the Statistical Office of the European Communities, follows the United Nations (UN) on this point. The international bodies thus advocate different treatments for balance of payments and national accounts.

Official statisticians in the United Kingdom hold the view that balance of payments and national accounts statistics should be consistent. The treatment recommended by the IMF is considered to have greater merit than that recommended by the UN, not only in a balance of payments context, but also in the measurement of national income and investment. The inclusion of unremitted profits in income and investment flows is followed by the United Kingdom, therefore, in both balance of payments and national income and expenditure statistics.

Treatment of stock appreciation

During a period of high inflation, the monetary value of stocks held may increase significantly while they are being processed. The conventions of historic cost accounting lead to the realised part of this holding gain, known as stock appreciation, being included in profit for the year. In recent years stock appreciation has formed a significant part of the gross trading profits of I and C companies, in 1974 reaching over 40 per cent of total profits. Where companies need to maintain their stocks at a fairly constant level, any holding gain realised on those stocks is unlikely to be available for distribution and it is potentially misleading to users of accounts to class such a gain as part of the operating profit for the year. A more realistic way of looking at profits arising from the sale of stock would be to value the cost of stocks sold at their current purchase price or current manufacturing cost rather than at their historic cost. It is the practice of the CSO when presenting national income and expenditure statistics to include only increases in the volume of stock when calculating additions to national wealth. Any change in the book value of stocks due to stock appreciation is deducted from the profits component of the national income. In the analysis of companies' profits, it has become the practice to present gross trading profits before and after the deduction of stock appreciation, but to place more emphasis on the latter. It does not necessarily follow, however, that profits are automatically inflated by rises in the value of stocks. Market forces and the activities of the Price Commission may prevent companies from raising their prices, in which case holding gains may be realised only in part or not at all. Companies which carry a large volume of stock, and those whose products require a lengthy manufacturing time, will need additional working capital to finance any significant rise in the cost of stock or in their manufacture. Such additional finance may be provided in the short term by additional bank borrowing, running down liquid assets or by reducing stock levels. A measure of tax relief is currently given on stock profits, with the tax liability being deferred. In the longer-term, provision for deferred tax will finance part of the increase in the book value of stocks; the remaining increase in book value will require financing either from undistributed earnings or by raising additional permanent external finance. In the study of companies' finances, a better picture is probably obtained by including changes in stocks at book value and by showing stock appreciation as a separate item among the companies' sources of funds, with profits entered after deducting stock appreciation. However, it has been found more convenient to show internal funds before the deduction of stock appreciation and to continue to show the latter as a separate series in the appropriation account.

[2] *A system of national accounts*. Studies in Methods, Series F, No. 2, Rev. 3 (United Nations, 1968).

Further background to the alternative balance

A number of different balances have been considered and some of these are described below. As with the money stock, it would be possible to define several different financial balances *IC1*, *IC2*, etc. – for use in different contexts. However, it is felt that a proliferation of different balances would be confusing and undesirable; ideally what is needed is one final balance which is timely, commands wide acceptance and accurately reflects the underlying financial position of the companies.

In seeking an alternative financial balance, it is instructive to consider how companies present their own accounts. Although companies produce ostensibly similar information – balance sheets, profit and loss and appropriation accounts, sources and application of funds statements – in their annual reports and accounts, hitherto there has been a lack of uniformity in presentation (although some improvement has been achieved through the issue of Statements of Standard Accounting Practice by the Accounting Standards Committee) and no financial balance as such is given. Statement SSAP10, which deals with statements of sources and application of funds, is of particular relevance in the present context. The standard lays down that such statements should show the funds generated or absorbed by the operations of the business and the manner in which any resulting surplus of liquid funds has been applied or any deficiency of such assets has been financed, distinguishing the long term from the short term. The statement should also show separately (i) funds raised by increasing, or expended in repaying or redeeming, medium or long-term loans or the issued capital of the company and (ii) the increase or decrease in working capital. Working capital generally includes stocks and work in progress, debtors and creditors. Net liquid funds are defined as cash at bank or in hand and cash equivalents (for example, investments held as current assets) *less* bank overdrafts and other borrowings repayable within one year of the accounting date. Applying these

recommendations to the analysis of the company sector in the national accounts, two concepts can perhaps be distinguished: the concept of net liquid assets and the wider concept of net external borrowing, including long-term finance. Net liquid assets are already measured in official statistics, although neither of the two series available is entirely satisfactory (see below). The new balance measuring the net borrowing requirement of I and C companies described above can be taken to represent the wider concept.

Two tables in *Financial Statistics* bring together statistics on companies' liquid assets. Figures for selected liquid assets and bank advances of I and C companies, using relevant data from the financial accounts, are presented in Table 9.3, while the results of the Department of Industry's (DI's) quarterly survey of companies' current assets and liabilities, which covers some 200 of the largest companies, are published in *Trade and Industry* and repeated in Table 9.5 of *Financial Statistics*. The two series differ slightly in content as well as in the number of companies covered. Borrowing in the DI series is restricted to short-term while the figures given in the CSO series include longer-term borrowing as well. Although the DI series is to be preferred in this respect, it has the disadvantage of incomplete coverage of the sector. Only some 200 companies report, and the aggregated results are not at present grossed-up to represent the whole sector. The DI series covers slightly more categories of assets and liabilities by including notes and coin, local authority bills, mortgages and loans. British government securities and borrowing from financial institutions other than banks, which are not at present covered in the CSO series; but the coverage of deposits with financial institutions, banks and finance houses is slightly narrower than the CSO series which includes deposits with all financial institutions. The DI series for borrowing and for deposits with finance houses are restricted to short-term (those with an original maturity of not more than one year). Some of the differences result from a lack of data. For example, the figures for bank advances in the CSO table are taken from counterpart source information (returns made by the banks) which is not analysed between short and long-term; and comprehensive figures for holdings of local authority bills and notes and coin are not available. In future, British government securities and local authority mortgages and loans will be included in Table 9.3 of *Financial Statistics*, starting in the December 1978 issue, to bring the CSO series closer in coverage to the DI series.

Two existing alternative balances have already been mentioned. The total requiring financing used by the Bank of England has been described in the main article and reference was also made to the 'adjusted surplus/deficit' published by stockbrokers Phillips & Drew. The adjusted surplus/deficit, introduced in the October 1976 issue of their *Market Review*, has been continued since then in the monthly *Economic Forecasts*. The official surplus/deficit (NAFA) is adjusted by deducting investment overseas by UK companies and adding back profits due abroad. (In the original article adjustments were also made for trade credit and, in 1968–1971, for import deposits.) These adjustments are recognised by Phillips & Drew to be rough and ready.

Neither of these two presentations is useful for every purpose. The total requiring financing is gross of unremitted profits. While those arising from outward direct investment cancel out 'above the line', those relating to inward investment are reflected in the balance because they are excluded from undistributed income, leading to a larger figure of finance required. The figures for long-term investment abroad include trade credit flows between parents and subsidiaries, but these cannot be separately identified in the quarterly statistics although annual data are available. However, other identified trade credit flows and tax and other accruals are not taken into account in calculating the total requiring financing but are treated as items financing that requirement.[3] The Phillips & Drew 'adjusted surplus/deficit' aims to measure both the surplus/deficit of UK-based companies and their subsidiaries overseas and, at the same time, the surplus/deficit of UK companies in the United Kingdom. It thus has a different emphasis from the coverage of official statistics. Moreover, it is unable fully to achieve its purpose because of a lack of detail in the UK official statistics and those of other countries on which to base the necessary adjustments.

As explained above, the national income accounts are recorded on an accruals basis. Many users are more interested in a balance which reflects the cash position of the companies. One approach considered was to construct a flow of funds statement, leading up to the final balance, on a cash flow basis. This statement might replace the existing appropriation account and sources and uses account. A possible presentation would be as shown in Tables A and B.

Flow of funds of industrial and commercial companies – 1977

TABLE A

	£ million
Gross trading profits after deducting stock appreciation	12,902
Adjustment for identified debtors, creditors, etc.	— 184
Flow of funds from operating account	12,718
Rent and non-trading income	1,537
Profits remitted from abroad	1,526
Flow of funds from trading and investment	15,781
Investment grants	32
Other capital transfer receipts	279
Increase in tax balances	246
Total receipts	16,338
less Dividends on ordinary shares	— 2,233
less Other dividends, interest and current transfers	— 3,692
less Profits remitted abroad	— 438
less UK taxes on income	— 1,833
less Taxes on capital and other capital transfer payments	— 53
Funds available for investment	8,089
less Cash expenditure on fixed assets	— 9,401
less Stockbuilding	— 996
Cash surplus (+) or deficit (−)	— 2,308

[3] An explanation of the presentation is given in *United Kingdom flow of funds accounts, 1963–1976*, (Bank of England, May 1978).

Sources and uses of capital funds of industrial and commercial companies – 1977

TABLE B

	£ million
Sources of capital funds	
Bank borrowing	3,081
Other loans and mortgages	177
UK capital issues by listed companies:	
Ordinary shares	734
Debentures and preference shares	— 67
Capital issues overseas	74
Overseas direct investment in securities	172
Intra-company investment by overseas companies[1]	1,203
Total identified sources of funds	5,374
Uses of capital funds	
Bank deposits, notes and coin	2,578
British government securities	88
Other liquid assets	175
Cash expenditure on acquiring subsidiaries and on trade investments	1,077
Other domestic assets	60
Intra-company investment overseas by UK companies[1]	379
Other identified assets	659
Cash deficit (+)/surplus (—)	2,308
Total identified uses of funds	7,324
Unidentified transactions	—1,950

[1] Excluding unremitted profits.

This approach was rejected on the grounds that it did not bring out a pure figure for internal funds or total income. It was also felt that to present cash expenditure on fixed assets in addition to the accruals figure in the capital account would be confusing.

The Research Panel of the Wilson Committee suggested that a fundamental change should be made in the treatment of unremitted profits of the company sector in the national accounts but, because of the implications for the overseas sector and for the measurement of national income explained above, the CSO prefer to keep the existing treatment. The provision of an alternative series for NAFA adjusted for unremitted profits is also not favoured, for two reasons. First, the adjustment for unremitted profits alone would not produce a pure cash balance; so if an adjustment is to be made, the other non-cash items – for example, trade credit – should be taken into account. Secondly, the figures for unremitted profits are incomplete, especially those relating to UK investment overseas (quarterly figures of the unremitted profits of branches and comprehensive figures for profits retained abroad by oil companies are not available). The use of incomplete figures in arriving at an adjusted NAFA would be unsatisfactory and potentially misleading. However, the problem is less acute in arriving at the net borrowing requirement because investment overseas by the oil companies is deducted from the internal funds of the companies' sector, so any element of unremitted profits remaining in these series cancels out.

The net borrowing requirement is the most satisfactory indicator for users who are concerned with the cash flow of companies operating in the United Kingdom, within the general framework of the national accounts. In particular it concentrates attention on the companies' need for external finance. The balance can be identified both from the national accounts data and from an aggregation of companies' accounts. It is also a balance which seems to fit closer with the grouping of transactions recommended by the Accounting Standards Committee in the presentation of sources and application of funds statements although it cannot provide a division between short-term and long-term borrowing.

Round-up: what's new in economic statistics

National Institute Economic Review

Three articles are presented in the November issue of *National Institute Economic Review*. The first, 'UK visible trade and the Common Market', examines changes in the pattern of the United Kingdom's visible trade with the original members of the European Economic Community and with Ireland, Denmark and the EFTA countries since our entry to the EEC in January 1973. It concludes that UK – EEC trade has grown faster than might have been expected in the absence of entry and with little or no loss of non-agricultural trade in other markets.

The second article summarises the results of a comparison of the projections in the book *The British Economy in 1975* – which was published in 1965 – with the outturn, and discusses approaches to medium-term economic projection.

The third article – 'The European energy outlook to 1985' – surveys the changes in recent years in the energy plans and forecasts of seventeen West European countries and in the prospects for European energy supplies.

Economic Progress Report

The leading article in the December issue of *Economic Progress Report* looks at the United Kingdom's productivity performance and compares the cost experience of the UK with five major international competitors.

Another article describes the new financial sector of the Treasury's econometric model. This is also the subject of a forthcoming Treasury Working Paper (available from the Treasury Press Office).

The Treasury has devoted substantial resources to modelling the financial sector, both to enable their existing econometric model to take better account of the impact of financial factors on the development of the economy and to improve understanding of the workings of monetary policy.

The financial sector of the model has been developed in two main sections, one of which describes the domestic monetary system and the other capital flows between the United Kingdom and overseas.

Index of sources

Data given on page **5** may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings (see Earnings)			
Balance of payments		Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
Current balance	5,46,48		
Invisibles	46		
Official reserves	48		
Balance for official financing	48		
Bank advances (see Banking)			
Banking		Bank of England	Financial Statistics
Bank advances	60,62		
Deposits with the banking sector	60		
Eligible liabilities, reserve ratio, special deposits and supplementary deposits	62		
Bank of England's minimum lending rate (see Interest rates)			
Building societies		Central Statistical Office Building Societies Association	Financial Statistics
Average prices of new dwellings on mortgage (see Housing)			
Net increase in shares and deposits	20		
New commitments for mortgages	20		
Recommended share rate (see Interest rates)			
Car registrations and production (see Motor vehicles)			
CBI Intentions Inquiry (see Fixed investment)			
Coal (see Fuel and power)			
Commercial vehicles, production (see Motor vehicles)			
Companies		Central Statistical Office	Financial Statistics
Appropriation account	58		
Financial companies			
Financial account, net acquisition of financial assets	56		
Saving	56,58		
Gross trading profits	58		
In relation to total domestic income	14		Monthly Digest of Statistics
Income	58		Financial Statistics
Industrial and commercial companies	58		
Financial account, net acquisition of financial assets	56		
Fixed investment	60		
Liquid assets, sources, and uses of funds	60		
Saving	56,58,60		
Security prices and yields (see Interest rates)			
Stock appreciation	58		
Taxes	58		
Consols (see Interest rates)			
Construction industry		Department of the Environment	Housing and Construction Statistics
Index of industrial production (see Industrial production)			
Orders received	18,20,30		
Output	30		
Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
Component categories	10		
In relation to personal income	10		
In relation to total final expenditure	14		
Per capita	14		
Current balance (see Balance of payments)			

	Page	Source	Further statistics
Distributive trades			
Output	28	Central Statistical Office	Monthly Digest of Statistics
(see also Retail sales; Stocks)			
Domestic income (see Incomes)			
Dwellings (see Housing)			
Earnings (average)		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
New series: Whole economy: GB	5,40		
Older series: Production industries and some services	40		
Manufacturing industry	40		
Effective exchange rate of sterling	44	HM Treasury	Financial Statistics
Electricity (see Fuel and power)			
Eligible liabilities (see Banking)			
Employed labour force	34,36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
All industries and services	34,36		
Index of production industries, manufacturing industries	34		
Energy (see Fuel and power)			
Engineering industries		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Sales and orders: total, home market and export	30		
Eurodollar 3-month rate (see Interest rate)			
Expenditure (see Total final expenditure)			
Exports			
Of goods		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Unit value index	44		
Value	5,46		
Volume index	44		
Of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles (see Motor vehicles)			
Orders: engineering industries (see Engineering industries)			
Final expenditure (see Total final expenditure)			
Financial accounts, analysis by sector	56	Central Statistical Office	Financial Statistics
Financial companies (see Companies)			
Fixed investment			
By industrial and commercial companies (see Companies)			
By sector and by type of asset	16	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Dwellings (see Housing)			
In relation to total final expenditure	8,14		Monthly Digest of Statistics
Manufacturing industry			
CBI Intentions Inquiry	18	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	18	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	18	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Investment Intentions Inquiry	18		
Fuel and power			
Consumers' expenditure on fuel and light	10	Central Statistical Office	Monthly Digest of Statistics
Industrial production: index for gas, electricity and water industries	26	Department of Energy	Monthly Digest of Statistics; United Kingdom Energy Statistics; Energy Trends
Primary fuel input: total, coal and petroleum	24		
Public supply: gas and electricity	24		
Gas (see Fuel and power)			
General government consumption of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Gross domestic fixed capital formation (see Fixed investment)			
Gross domestic product	6	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	8		
In relation to output	28		
In relation to stocks	22		
Per capita	14		
Gross national product *per capita*	14	Central Statistical Office	Not published elsewhere

	Page	*Source*	*Further statistics*
Gross trading profits of companies (see Companies)			
Hire purchase debt	12	Department of Industry	Monthly Digest of Statistics; Trade and Industry; Financial Statistics
Hours worked	36	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Housing			
Average price of new dwellings mortgages approved	20	Department of the Environment; Building Societies Association	Housing and Construction Statistics
Consumers' expenditure on housing	10	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	16,20		
Orders received by contractors for new houses	20	Department of the Environment	Monthly Digest of Statistics
Starts and completions	20	Scottish Development Department	Housing and Construction Statistics
Imports			
Of goods		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Unit value index	44		
Value	5,46		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Incomes		Central Statistical Office	Monthly Digest of Statistics
Company income (see Companies)			
Income from employment as a percentage of total domestic income (see also Wages; Earnings)	14		
Personal disposable income	10		
Per capita	14		
Personal income before tax	10		
Total domestic income	14		
Industrial and commercial companies (see Companies)			
Industrial production: index	5,26	Central Statistical Office	Monthly Digest of Statistics
By market sector	26		
By selected industries	26		
In relation to output	28		
In relation to stocks (manufacturing industries)	22		
Inter-bank 3-month rate (see Interest rates)			
Interest rates	64	Central Statistical Office; Bank of England; HM Treasury; Building Societies Association; *Financial Times*; Institute of Actuaries; Faculty of Actuaries	Financial Statistics
Bank of England's minimum lending rate			
Building Societies Association recommended share rate			
Consols			
Eurodollar 3-month rate			
Financial Times index of industrial ordinary shares			
Inter-bank 3-month rate			
Local authorities 3-month deposit rate			
London clearing banks base rate and 7 day deposits			
Sterling certificates of deposit			
Treasury bill yield			
US $ deposits in London			
Invisibles (see Balance of payments)			
Local authorities 3-month deposit rate (see Interest rates)			
London clearing banks rates (see Interest rates)			
Manufacturing industry (See Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Stocks; Wage rates; Wages and salaries)			
Money stock	5,50,52	Bank of England	Financial Statistics
Velocity of circulation	50	Central Statistical Office	

	Page	*Source*	*Further statistics*
Motor vehicles			
Consumers' expenditure on cars and motor-cycles	10	Central Statistical Office	Monthly Digest of Statistics
New car registrations	5,12	Department of the Environment Department of Industry	Monthly Digest of Statistics Trade and Industry
Production of passenger cars and commercial vehicles: total and for export	32	Department of Industry	
National disposable income	6	Central Statistical Office	
Net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Notes and coin in circulation with the public (see Banking)			
Official reserves (see Balance of payments)			
Orders received			
By construction industry (see Construction)			
By contractors for private industrial work	18	Department of the Environment	Housing and Construction Statistics
By engineering industries (see Engineering)			
Output			
By construction industry (see Construction)			
By engineering industries (see Engineering)			
Index numbers by industry groups	28	Central Statistical Office	Monthly Digest of Statistics
Per person employed	34		
Overseas trade (see Exports; Imports; Visible trade)			
Personal disposable income (see Incomes)			
Personal income before tax (see Incomes)			
Petroleum (see Fuel and power)			
Population			
Estimates *per capita*, income, product and spending	14	Central Statistical Office	Not published elsewhere
Working	36	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Prices			
Average price of new dwellings on mortgage (see Housing)			
Pensioner price indices	42	Department of Employment	Department of Employment Gazette
Retail prices index	5,42		Monthly Digest of Statistics Department of Employment Gazette
Wholesale prices index; input and output	5,42	Department of Industry	Monthly Digest of Statistics Trade and Industry
World commodity prices index	44	Department of Industry	Trade and Industry
Private sector			
Financial account, net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Gross fixed investment	14,16		Monthly Digest of Statistics
Housing starts and completions (see Housing)			
Production (see Industrial production; Motor vehicles)			
Profits (see Companies)			
Public sector		Central Statistical Office	Financial Statistics
Borrowing requirement	52,54		
Expenditure	54		
Financial account, net acquisition of financial assets	56		
Fixed investment	14,16		
Housing starts and completions (see Housing)			
Receipts	54		
Purchasing power of the pound	42	Central Statistical Office	Not published elsewhere
Reserve ratio (see Banking)			

	Page	*Source*	*Further statistics*
Retail prices index (see Prices)			
Retail sales			
Volume index numbers	5,12	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Value index numbers	12		
Ratio of distributors' stocks to retail sales	22	Central Statistical Office; Department of Industry	
Regional unemployment rates (see Unemployment)			
Salaries (see Wages and salaries)			
Saving, company (see Companies)			
Savings ratio, personal	10	Central Statistical Office	Monthly Digest of Statistics
Special deposits (see Banking)			
Steel production and consumption	32	Department of Industry	Monthly Digest of Statistics
Sterling certificates of deposit (see Interest rates)			
Sterling effective exchange rate	5,44	HM Treasury	Financial Statistics
Stock appreciation, company sector (see Companies)			
Stocks			
Changes by industry groups	22	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Ratios: total stocks to GDP(E), manufactured stocks to manufacturing production, distributors' stocks to retail sales	22		
Total changes in relation to GDP(E)	8		Monthly Digest of Statistics
Supplementary deposits (see Banking)			
Taxes		Central Statistical Office	Financial Statistics
On capital	54		
On income	54		
On expenditure	54		
Payment of taxes by companies	58		
Terms of trade	44	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Total domestic income (see Incomes)			
Total final expenditure on goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Trade competitiveness index	44	HM Treasury	Not published elsewhere
Treasury bill yield (see Interest rates)			
Unemployment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Regional unemployment rates	38		
Total unemployed; unemployed excluding school-leavers and adult students; including school-leavers	5,36		
Unfilled vacancies	5,36	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Unit values of exports and imports (see Exports; Imports)			
Vacancies notified and remaining unfilled (see Unfilled vacancies)			
Velocity of circulation (see Money stock)			
Visible trade (see also Exports; Imports)	5,44,46	Central Statistical Office; Department of Industry	Monthly Digest of Statistics; Trade and Industry
Wage rates, basic weekly	40	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wages and salaries			
In relation to personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Per unit of output	40	Central Statistical Office; Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wholesale prices index (see Prices)			
Working population (see Population)			

CENTRAL STATISTICAL OFFICE

Annual Abstract of Statistics 1979 Edition

The **Annual Abstract of Statistics** contains a selection of the most important statistics covering the economic, industrial and social life of the United Kingdom. The latest edition gives figures so far as they are available for the years 1967 to 1977. The Abstract contains over 450 tables in the following chapters.

Agriculture, fisheries and food
Area and climate
Balance of payments
Banking, insurance, etc.
Defence
Distributive trades and services n.e.s.
Education
External trade
Home finance
Justice and crime
Labour
National income and expenditure
Personal income, expenditure and wealth
Population and vital statistics
Prices
Production
Social conditions
Transport and communications

The **Annual Abstract of Statistics**, prepared by the Central Statistical Office, is an essential reference volume for regular statistics users.

PRICE **£8.50** (net)

ISBN 0 11 630757 9

It is obtainable from:

Her Majesty's Stationery Office

at the addresses on back cover or through booksellers

CENTRAL STATISTICAL OFFICE

ECONOMIC TRENDS

ANNUAL SUPPLEMENT No 4 - 1977

Economists, Planners, Analysts

Here's an important document you can't afford to be without.

For economists, planners and analysts, the **Annual Supplement** to the monthly *Economic Trends* makes life easier.

This publication brings together long runs of quarterly and annual data for the key series of economic statistics.

In it are included over 300 series, each with consistent figures for as many years as are available in the post-war period. About half span 25 years or more.

Tables are backed by concise notes and definitions as well as an index to further, more detailed, sources. A calendar of economic events covering the period September 1977 to September 1978 is included in this edition.

The Annual Supplement comes as part of the annual subscription to *Economic Trends* (price £31·41 including postage from January 1979). It can also be purchased separately, price £2·65 net.

ISBN O 11 724992 0

It is prepared by the Central Statistical Office and is available through **Government Bookshops** or direct from:

Her Majesty's Stationery Office
PO Box 569
London SE1 9NH

Printed in England for Her Majesty's Stationery Office
by Bemrose & Sons Limited, Derby.

Dd 595942 K33 12/78

ISBN 0 11 724991 2
ISSN 0013-0400

Articles published in *Economic Trends*

National income and expenditure. An article containing quarterly figures is published every January, April, July and October

UK balance of payments. An article showing quarterly figures is published every March, June, September and December

Cyclical indicators for the UK economy. An article showing individual indicators is published every February, May, August and November

Other articles

1976

December	Effects of taxes and benefits on household income 1975 Economic prospects to end-1977

1977

January	A review of the effects of taxes and benefits on household incomes 1961-1975
February	Employment in the public and private sectors 1971-75
March	Government income and expenditure in the national income accounts: a change in presentation Note on Budget forecast
April	Income distribution in the United Kingdom 1974/75
May	Improvements to the engineering series for the index of industrial production Department of Industry survey of company liquidity: comparison with the financial accounts Public sector debt
June	Regional accounts: preliminary estimates for 1975 Interests, profits and dividends in the balance of payments
July	Developments in the national accounts
August	The home and export performance of United Kingdom industries
September	Ownership of company shares: a new survey
October	Additional tables on national income and expenditure Economic measures: 26 October 1977 Economic prospects to the end of 1978
November	Regional accounts: further estimates for 1975, including regional fixed investment The redistributive effect of subsidies on households
December	Developments in the statistics of the distribution of income Employment analysed by sector and industry, 1971-76 International comparisons of taxes and social security contributions, 1969-75

1978

January	Personal sector balance sheets United Kingdom official and private flows to developing countries
February	The effects of taxes and benefits on household income, 1976 Recent trends in sales of land and buildings
March	The changing problems of economic management Rebasing the national accounts — why and how and the effects The stock of consumer durables in the United Kingdom
April	The nation's food — 40 years of change The Budget: 11 April 1978 The economic outlook to mid-1979
May	Trends in the distribution of income The distribution of income in the United Kingdom 1975/76
June	Regional accounts: preliminary estimates for 1976 Summary input-output tables for 1973
July	New price indices for construction output statistics
August	Some problems in assessing unemployment trends
September	Progress report on the construction and use of commodity balances within the national accounts
October	Additional tables on national income and expenditure
November	Regional accounts: further estimates for 1976 The distribution of personal wealth The economic situation and prospects for 1979

For articles published in earlier issues reference should be made to:

NEW CONTRIBUTIONS TO ECONOMIC STATISTICS

Studies in Official Statistics

Sixth series November 1969-November 1971 (*No. 19*) (HMSO) May 1972 (Price 80p net)
Seventh series December 1971-December 1973 (*No. 24*) (HMSO) March 1975 (Price £2.65 net)
Eighth series January 1974-February 1975 (*No. 28*) (HMSO) February 1977 (Price £4.75 net)
Ninth series March 1975-December 1976 (*No. 33*) (HMSO) October 1977 (Price £5.25 net)

A limited number of offprints of recent articles are available and copies may be obtained from the Publications Unit, Central Statistical Office, Government Offices, Great George Street, London, SW1P 3AQ
Telephone: 01-233 7261

HER MAJESTY'S STATIONERY OFFICE

Government Bookshops
49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
41 The Hayes, Cardiff CF1 1JW
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

Government Publications are also available through booksellers

£1.95 net
(Annual Subscription including annual supplement and postage, £29.46)